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Review, Analysis and Recommendations regarding the

Proposed Annemessex Maritime Industrial Complex
Crisfield, Somerset County, Maryland

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Publication.

A Report to

Governor Marvin Mandel

Prepared by

The Maryland Department of State Planning

Vladimir A. Wahbe, Secretary of State Planning

State Office Building

301 West Preston Street

Baltimore, Maryland

21201

Maryland HC 107 ·M32 no.167(D) Folio



GOVERNOR

. MARYLAND DEPARTMENT OF STATE PLANNING

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VLADIMIR A. WAHBE
BECRETARY OF STATE PLANNING
NORMAN HEBDEN
DEPUTY SECRETARY

May 21, 1971

The Honorable Marvin Mandel Governor
The State House
Annapolis, Maryland 21404

Dear Governor Mandel:

The Department of State Planning has reviewed, analyzed, and prepared recommendations for your consideration regarding the proposed Annemessex Maritime Industrial Complex located near Crisfield. Contained in this report are the results of our study efforts.

In performing this task on your behalf, we found many State and local agencies and private organizations very cooperative. For this we are appreciative.

Should you wish to discuss any portion of the following report, I am available at your convenience.

Sincerely,

Vladimir Wahbe



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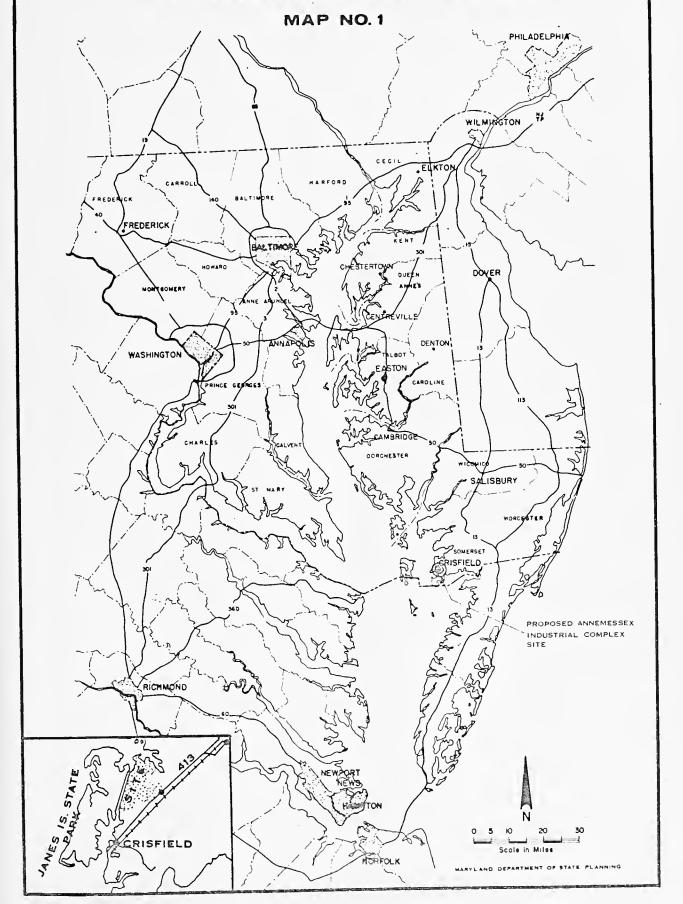
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Relationship of Annemessex Site to the Chesapeake Bay Region



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Within the past several years, there have been two proposals for the establishment of a major maritime industrial complex in the area of Crisfield on the Eastern Shore of the Chesapeake Bay about 110 miles below Baltimore (Map 1). The first such proposal made in 1966 called for the construction of a Crisfield Maritime Industrial Park on a small seventy-five acre tract located within the town limits of Crisfield. Following approximately two years of promotional activity, the project was abandoned for economic reasons. The second such proposal made shortly thereafter, in 1968, and probably an outgrowth of the former, called for the establishment of an Annemessex Industrial Complex on a 2,000 acre tract located near Crisfield.

Potential access to water transportation prompted both proposals. In addition to vast differences in size, the two proposals differ widely also with respect to the kinds of industry to be accommodated, the magnitude of utility and other facility requirements and tentatively identifiable environmental impacts.

At the request of the Maryland Department of Economic Development, EBS Management Consultants prepared a report on the economic and environmental impacts of the Annemessex project for the Delmarva Advisory Council late in the summer of 1968. The report concluded with the following statement: "(F)rom what is known, however, of the project site, the type



of complex planned, and the present technology in controlling pollution, there does not appear to be at the moment any over-riding reason why the project should not be moved forward at this time."

Based on the foregoing recommendation, the Department of Economic Development requested the Economic Development Administration (U. S. Department of Commerce) to supply financial assistance for engineering, ecological, and cost feasibility studies of the proposal. However, the Economic Development Administration indicated that the applicant would be required to control one-third of the site prior to formal submission of an application. To comply with this prerequisite, the Department of Economic Development in November 1968 requested the Maryland Port Authority to participate in the acquisition of options.

Permission to acquire options was granted by the Maryland Port Authority Commission in mid-1969 with the conditions, however, that there would be no objection on the part of concerned State or county agencies and that the Authority would be released from any possible obligation to the previously proposed Crisfield Maritime Industrial Complex. It was further provided that Somerset County would share with the Authority one-half the expense of appraisals and options and that participation by the Authority would in no way commit it



to future development. Appraisals were made of the property . between October 1969 and February 1970.

Subsequently, the Department of Economic Development and the Maryland Port Authority sponsored meetings seeking early approval of the project on the part of State and local agencies. While apparent agreement was reached, the meetings nevertheless brought to light significant problems and informational gaps regarding the project.

In June 1970, the Department of Economic Development requested the Governor's approval of the project. Because of the far-reaching consequences of locating a large-scale industrial complex on the Eastern Shore of the Chesapeake Bay, the Governor requested the Department of State Planning to make a thorough evaluation of the Annemessex Industrial Park proposal and report its findings and recommendations to him.

The Department of State Planning in carrying out the Governor's assignment, studied numerous reports and other documents, local comprehensive plans and zoning ordinances and State functional plans. Two previously mentioned documents, the report of EBS Management Consultant, Inc., "The Impact of the Proposed Annemessex Canal Industrial Complex Near Crisfield, Maryland" and the joint application of the Maryland Department of Economic Development, the Maryland Port Authority and the Somerset County Commissioners for Economic Development Administration technical assistance funds to conduct environmental and engineering studies were reviewed with special emphasis. In addition, the Department conducted a special

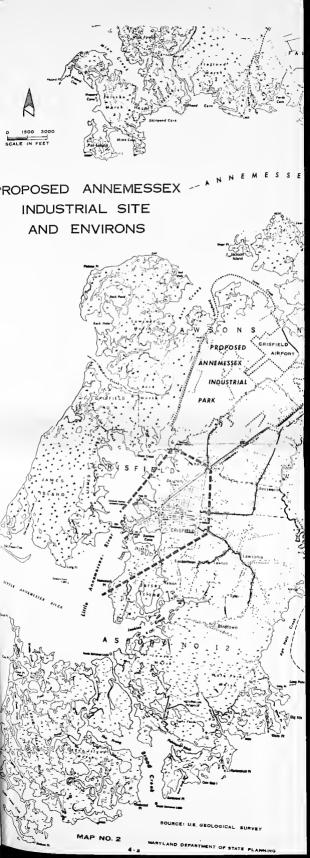


survey of thirty-five concerned State and local agencies and private organizations and met with Somerset County officials for a first-hand expression of their views.

Findings

- 1. The proposed Annemessex Industrial Complex would be a predominantly public project inasmuch as it has been proposed by public agencies and envisages substantial use of federal, State and local funds to defray development costs. It must, therefore, be distinguished from the more usual type of private sector initiated industrial development proposal which primarily involves the investment of private funds. Despite the essentially public character of the project, the proposal as it now stands fails to throw adequate light on prospective organizational arrangements, sources of funding and allocation of costs among participating governmental jurisdictions.
- 2. Firm information is lacking on site development and the operational characteristics and requirements of potential industrial tenants. Moreover, a divergency of opinion was found to exist as to acceptable and feasible industry. The EBS report stated "that the development should be viewed as being dominated (60%) by petrochemical plastics processing. In addition, plants engaged in nonferrous metallurgical refining and in cold rolling of steel would be represented in the complex." Local officials have indicated this is not the type of industry that they would prefer. However, the





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Department of Economic Development stated that light manufacturing plants would not locate in that area, and further pointed out that light industry is not always the most desirable. Therefore, formal concurrence or approval of the proposal would be inappropriate and premature at this time.

Preliminary and incomplete estimates on project development costs indicate a figure of \$24,000 per acre for a 900-acre site. This cost is nearly five times higher than the desired competitive price. This estimate includes previously unrecognized or unidentified costs for supportive developmental activities. For example, the cost of channel dredging may approach \$14.0 million and the State Roads Commission has reported the cost of highway improvements to the site may amount to \$8.2 million. Also, the site's unsuitable soil conditions, a high ground water table and threats of tidal flooding are certain to inflate development costs. The site area has been considerably reduced from the initial 2,000 acres reported by EBS. After thorough investigation, including site appraisals and delineation of the project area, the area was reduced to 1,342 acres (see Map No. 2). Included within this area, however, are 200 acres of wetlands, 75 acres which are underwater, and 200 acres needed by the Department of Natural Resources, Forests and Parks for mainland expansion and improvement of Janes Island State Park.



A limited amount of wetland and submerged land will probably be required should development take place. In addition, in the first site reduction, the Crisfield Airport was removed. However, the airport (shaped like a cross) protrudes into the industrial site, thereby, in terms of usable space causing further industrial land reductions. Furthermore, though it is desirable to have an airport associated with an industrial facility in this case, their proximity may cause incompatible relationships. Once these areas have been extracted, a site of 900 acres or less remains.

4. The proximity of the proposed site to residential areas, Janes Island State Park, public and private wildlife management areas and valuable marine resources is certain to pose serious environmental and ecological problems. The existence of very important and productive oyster and other seafood production areas was revealed by the Natural Resources Institute of the University of Maryland. It is estimated that approximately ten thousand acres of wetlands would be endangered as a result of channel dredging, spoil disposal and channel maintenance, as well as eventual industrial operations attendant with development. Extensive ground water withdrawals by heavy industrial users in combination with channel dredging required for the improvement of water transportation are likely to cause salt water intrusion and impairment to the water supply serving both the industrial complex and the neighboring area. Periodic

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malfunctioning of pollution control devices and accidental discharges of detrimental materials into both the water and air would unavoidably threaten the natural environment, as also would the noises associated with many industrial processes. The fact that neither local comprehensive land use plans and zoning nor functional State plans have previously identified the site for industrial development is, therefore, not altogether surprising.

- 5. Careful review of the application to the Economic Development Administration for financial assistance to conduct technical engineering and environmental studies discloses that the feasibility studies as outlined will not generate urgently needed information and data for proper evaluation of the project. Still lacking but needed are evaluative information and data regarding costs, economic impact and environmental consequences. This view is shared by all concerned parties, especially keenly interested local representatives.
- 6. The Economic Development Administration had indicated that an applicant for technical assistance funds must control a significant portion of the site. Through correspondence with the Economic Development Administration, the prerequisite was found to be a matter of preference but not a legal requirement.



Recommendations

- 1. Executive Department approval of the proposed

 Annemessex Industrial Complex should be withheld and no
 additional State funds should be committed to the furtherance
 of the project until amply detailed information and data
 become available and are carefully evaluated. More specifically, no site options should be acquired.
- 2. The application to the Economic Development Administration to conduct follow-up studies should be revised in accordance with the guidelines set forth in Appendix E of this Report to insure the provision of needed information and data on project design, area impact, engineering feasibility, environmental impact, and economic feasibility.
- 3. The Governor should appoint a special advisory committee consisting of representatives of the Department of Economic and Community Development, the Department of Transportation, the Department of Natural Resources, the Department of Health and Mental Hygiene, the Public Service Commission, the Department of State Planning and the Somerset County Commissioners to select the consultant(s) for the study, provide technical assistance in the conduct of the study, review the findings and advise the Governor as to any further appropriate action to be taken in regard to the proposed project.

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4. There are a number of interim actions that can contribute to improvement of Somerset County's economic condition. The Governor's Capital Budget includes \$271,000 for development of important recreational facilities related to Janes Island State Park. The Department of Natural Resources (Forests and Parks) should be encouraged to immediately commence planning and acquisition for the Visitors' Center and related activities in the area east of the Annemessex Canal and adjacent to Janes Island. Further, the Maryland Port Authority should be requested to investigate the feasibility of providing additional facilities at Somers Cove Marina.



APPENDICES

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APPENDIX A - ECONOMIC BENEFITS

This information has been drawn directly from the EBS report, and inclusion of this material here should not be construed as an endorsement of it. It is merely the only such information that is available in the limited time permitted for this preliminary review of the proposal.

Industries to be located on the site according to the EBS report will employ approximately 2,000 persons. An additional 1,028 jobs will be created as a result of project employment for a total of 3,028 jobs. Of the 2,000 primary employment jobs, 1,840 will require highly skilled personnel, while many of the 1,028 secondary jobs will require significant education or training, i.e., medical, educational and entrepreneural. The new employment will generate a total population increase of 5,888 persons.

Investment required to develop the industrial facility is estimated to be \$110,000,000. Other significant economic statistics include \$18,772,200 expected earnings of employees; retail sales will increase by \$14,570,000; and total regional personal income impact is projected to be \$31,000,000. Table A-1 presents detailed economic impact data pertaining to the project.

Concerning the EBS report, the following comments related to projected economic benefits should be considered in evaluating the proposal.

1. Although dwelling extensively on the financial benefits to be derived from the project, little effort was made to provide a realistic assessment of full project costs

EBS Management Consultants, Inc., The Impact of the Proposed Annemessex Canal Industrial Complex Near Crisfield, Maryland, 1968.



- particularly those relating to community facilities, project financing costs and the impact on the fiscal resources of the local government.
- 2. Local costs show a tendency to be underestimated; for example, EBS estimates that the cost of building two schools would be approximately \$750,000, whereas local estimates suggest that a figure of \$2,250,000 is more likely to be the cost.
- 3. Local unemployment and underemployment problems would not be resolved by implementation of this project.

 Of those jobs provided to local people by the complex, most opportunities would be for clerical and secretarial help. The EBS report makes abundantly clear that the majority of the 2,000 new jobs would not employ people now living in the local community or region.
- 4. The strategy of projecting State revenues while neglecting full State and local costs is unsatisfactory and does not present a true picture of economic impacts.

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PROBABLE IMPACT OF THE PROPOSED INDUSTRIAL COMPLEX ON THE FOUR-COUNTY IMPACT AREA, 1978¹

	Total Impact A <u>rea</u>	Somerset County_	Wicomico County	Worcester County	Accomack County
Additional Population	5,888	4,006	1,760	93	29
Additional Employment: By establishment By Co. of Residence	3,028 3,028	2,374 1,702	592 965	52 2 17	10 144
Additional Direct Earnings of Complex Employees (\$)	18,772,200	12,521,960	5,531,000	554 , 720	164,520
Additional Retail Sales (\$)	14,570,000	6,163,110	7,998,930	335,110	72,850
Additional Selected Services Receipts (\$)	2,000,000	846,000	1,098,000	46,000	10,000
Additional Commercial Bank Deposits (\$)	10,050,000	4,251,150	5,517,450	231,150	50,250
Total Regional Personal Income Impact (\$)	31,000,000	N.A.	N.A.	N.A.	N.A.
Additional Community Facilities Needed: Housing units Teachers Schools Doctors Dentists Pharmacists Hospital Beds Nurses	1,840 57 3 9 3 5 23	1,252 39 2 6 2 3 15	8	29 1 0 0 0 0 0	9 0 0 0 0 0
Local Governments: Potential addnl. revenues (\$) Potential addnl. expenditures	3,314,000 1,142,500	2,770,000			5,000 4,500
Additional Funds Distributed by the State of Maryland to Local Governments.(\$)	1,904,800	1,689,700	208,400	6,700	N.A.
Additional Selected Funds Retained by the Treasury of the State of Maryland (\$)	(1,624,128)	1,379,567	236,742	7,819	N.A.

N.A. = Not applicable

The year 1978 has been chosen on the assumption that if the proposed complex is approved in 1968, five years will be required for development, construction, and installation of equipment, and that after start-up (1973) another five years will be required until the entire project is operative at a stable level of 2,000 employees. Figures shown are annual figures representing the disparities between 1978 projections made on the basis of a continuation of historical trends on the one hand, and on the assumption that these trends are disrupted by introduction of the proposed complex on the other. Details concerning the actual magnitudes projected for 1978 and further discussion concerning the data in this table will be found in the accompanying text.



APPENDIX B - DEVELOPMENT CONSIDERATIONS AND COSTS

The primary purpose of this appendix is to present a preliminary analysis of the project's economic costs, insofar as possible with limited time and data.

1. Site Costs

a) Acquisition Costs - The proposed site consists of approximately 1,300 acres of land which has been appraised by two independent appraisers with extensive real estate experience on the Lower Eastern Shore. Their appraisals of the site are \$773,248 and \$767,706 (average cost - \$770,477). 1/2 For planning purposes the value of land has established at \$1,500,000, a cost of \$1,150 per acre. 2/2

According to the appraisers report, the site consists of 1,342 acres of land which is largely unimproved and wooded (Map 2). There are 75 acres under water and 200 acres are classified as wetlands. A portion of the site is devoted to marginal farming. Several existing activities would have to be relocated to permit implementation of the project. A mobile home park, 34 home sites, several auxiliary buildings, a service station, a commercial garage, a warehouse and two broiler farm operations are included within the site's boundaries.

b) <u>Preparation Costs</u> - The county soil survey was used to determine the physical characteristics of the site and its suitability for the type of development proposed. The soil types are

Wallace, D. J., Personal Communication to Mr. Vladimir Wahbe, Secretary, Department of State Planning. September 16, 1970.

Wallace, D. J., Personal Communication to Mr. Vladimir Wahbe, Secretary, Department of State Planning. September 18, 1970.

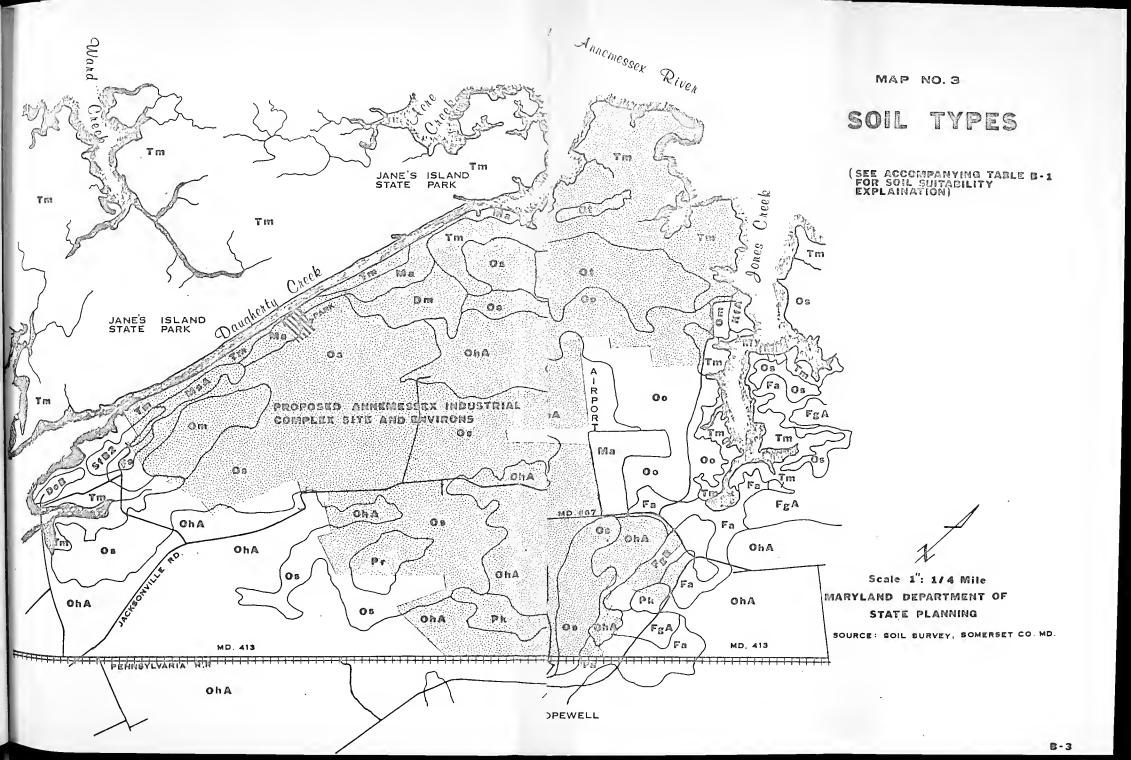


shown in Map No. 3 and developmental suitability information is in Table B-1. The predominant soil type is Othello with a small amount from the Pocomoke series and Tidal Marsh. These soils are characterized by high organic content (dead and decaying vegetation) in certain areas as well as a high water table (approximately one foot below ground surface). Consequently, these soils present severe limitations to the construction of foundations for homes of two stories or less; landscaping and earth moving; provision of streets and parking lots. 1/2 Without doubt, the type of development will be considerably more substantial than those construction activities. Consequently, even more serious natural limitations to development should be anticipated. The site is only slightly above sea level; has a high water table and poor soil drainage; and is subject to flooding under certain conditions.

Development costs for the Annemessex Canal site will include filling and/or draining the area prior to construction. Since channel dredging spoil is apparently not suitable for fill purposes, fill material will have to be transported some distance from a borrow area to the site. Special construction will be required for heavy or underground facilities, as well as for protection against tidal flooding. Although site development problems are not insurmountable, they will add considerable cost to the project. Specific construction activities that may prove difficult and costly include:

Maryland. U. S. D. A., Soil Conservation Service. July, 1966.

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Soil survey, Annemessex project, Crisfield, Maryland (for location of soil types, see Map No. 3) Table B-1.

Suitability of Soil For

	Soil Type	Septic Tanks	Sewage Lagoons	Foundations for Two- Story Homes	Earth Moving	Streets and Parking Lots
	(Ma) Manmade (1)					
	Acres:					
	(TM) Tidal Marsh	Severe; high	Severe; tidal	Severe; high	Severe; high	Severe; high
	Acres:	water table; tidal flood- ing	TTOOGINE	water table; tidal flood- ing	water table tidal flooding	water table; tidal flood- ing
B-4	(Pk) Pocomoke Loam	Severe; high water table	Severe; highly organic mater-	Severe; high water table	Severe; high water table	Severe; high water table
	Acres:		ial			
	(Pr.) Portsmouth Silt Loam	Severe; high water table	Severe; highly organic mater-	Severe; high water table	Severe; high water table	Severe; high water table
	Acres:		ial			
	Cthello - Os, Oha, OM, OO	Severe; high water table	Slight	Severe; high water table	Severe; high water table	Severe; high water table
	Acres:					

Soil Survey - Somerset County, Maryland. U. S. D. A., Table 14 - Limitations of soils for nonfarm uses. Soil Conservation Service. July, 1966. Source:



Suitability of Soil For

Soil Type	be	Highway Location	Drainage	Waterways	Dikes	Reservoirs
(Ma) Manmade (1) Acres:	1ade (1)	٠.				
(TM) Tidal Marsh Acres:	1 Marsh					
(Pk) Pocomoke Loam Acres:	mo ke	Very high water table: very severe frost action; erodible material; poor stability	Moderate permeabil- ity	Low to moderate water capacity; low to moderate fertility	Poor stability; erodible mater- ial; moderate permeability; high maximum density	Excessive seeps in substratum; high water tabl
(Pr) Portsmouth Silt Loam Acres:	ssmouth Loam	Very high water table; very severe frost action; erodible material; poor to very poor stability	Moderately slow or slow perme-ability; ditches erodible	Moderate water capacity; moderate fer- tility	Poor or very poor stability; erodible material; moderately slow or slow permeability; low maximum density	Frequently excesive seepage isubstratum;
Othello - Os, Oha, OM, OO Acres:	. 0s, 1, 00	High water table; Slow severe frost ity; action; erodi- eroc ble material; poor stability	Slow permeabil- ity; ditches erodible	Moderate to high water capacity; low or moderate fertility	Poor stability; erodible material; slow permeability; low maximum den- sity	Excess seepage in substratum; high water tab
Source:	Table 11	 - Interpretations o	f Engineering Proper	ties of Soil. Soil	Source: Table 11 - Interpretations of Engineering Properties of Soil Survey - Somerset County, Maryland	tw. Mamy land.

Table 11 - Interpretations of Engineering Properties of Soil. Soil Survey - Somerset County, Maryland.
U. S. D. A., Soil Conservation Service. July, 1966.

⁽¹⁾ Not rated because of variable conditions.

- (1) "Working" site soils with heavy earth-moving equipment;
- (2) Trenching soils that are subject to tidal flooding and a high water table;
- (3) The amount of fill necessary to satisfactorily prepare the site; and
- (4) The necessity of constructing industrial buildings on substantial pilings or special footings.

As a result of these construction problems posed by soil and site characteristics, it is estimated that the partial cost of preparing the site for development may range from slightly under \$7,000,000 up to a maximum of \$15,000,000.

c) Development Costs - These facilities and utilities will be required and are noted here for preliminary identification purposes, although the costs cannot be estimated at this time.

- Storm drainage

- Solid waste disposal

- Water supply

- Fire protection

- Waste water (collection and - Industrial lighting treatment)

- Flood damage prevention

Each of these items will increase the total cost of the project. For example, some sort of waste water treatment plant would have to be constructed to serve the industrial tenants of the site. However, the Town of Crisfield has indicated that their system is unable to handle industrial waste waters. Also, the Town does not have any plans to provide waste water collection and treatment service to the area, suggesting instead that the county should absorb this cost. Consequently, the cost of waste water collection and treatment facilities for the complex should be included as a development cost as opposed to being financed by local government.



2. Transportation Facilities

Success of ports has been as much dependent upon related transportation facilities as upon the physical location. The foremost transportation facility requirement is access to deep water. Adequate rail transportation is almost as important. In addition, a modern adequate highway system is significant in supporting development and expansion.

The Annemessex site does not now have necessary transportation facilities to establish a successful deep water port. Channel access and port facilities will have to be provided nearly from scratch while the railroad line and highways must be greatly improved to service the site. The following discussion suggests the estimated magnitude of the requirements for developing transportation facilities at the site.

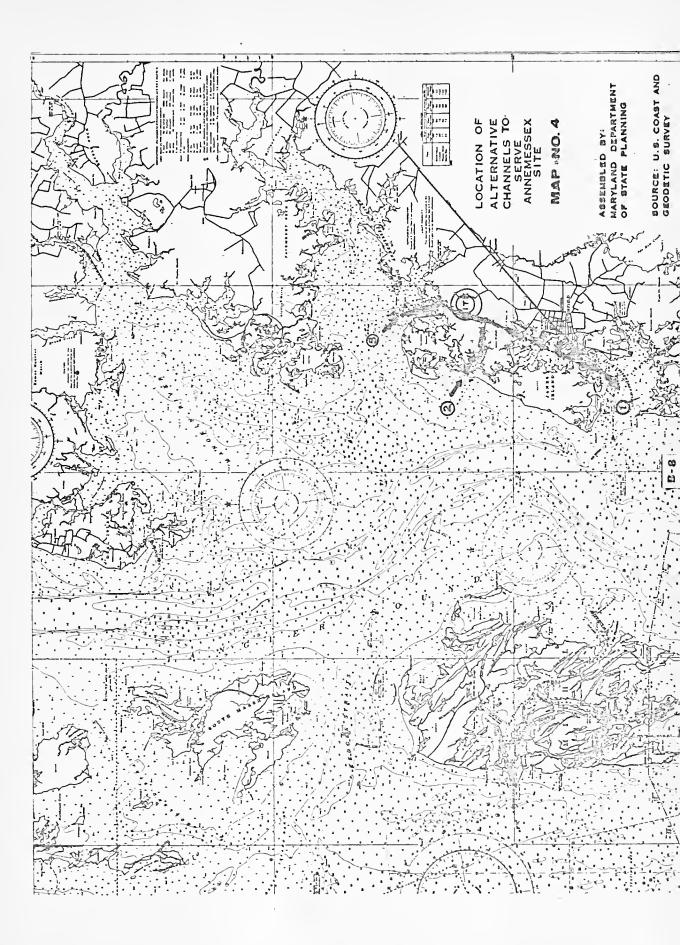
- a) Marine Channel There are three possible locations for a channel to provide essential access for marine shipping (Map No. 4).
 - (1) South of James Island State Park Little Annemessex Canal
 - (2) West of and through Janes Island State Park
 - (3) North by Big Annemessex River

The preferred route is south of Janes Island State Park. This selection provides deep water access to Crisfield as well as the site via the Little Annemessex River and Daugherty Creek.

The Maryland Port Authority has estimated that a 25-foot deep channel to the site will cost \$3,500,000. $\frac{1}{2}$ / This cost estimate is

Wallace, D. J., Personal Communication (Maryland Port Authority) to Mr. Vladimir Wahbe, Secretary, Department of State Planning, September 18, 1970.







based upon previous estimates for a channel to Crisfield and assumes that dredged spoil material will be suitable for fill. However, past test borings have revealed that the material is not suitable for fill. This factor, which significantly affects financial feasibility, was largely responsible for the failure of an earlier Crisfield Maritime Industrial Park attempt.

The EBS study | suggests that a 35-foot deep channel is a minimum requirement. Some concern exists pertaining to the adequacy of a 35-foot channel in relation to the type of industries proposed for the site and recent trends in bulk ship construction, i.e., high tonnages, hence, deeper draft requirements. A channel of this depth would require dredging of approximately 9,200,000 cubic yards of material. The Army Corps of Engineers estimates that dredging costs range between \$1 and \$2 per cubic yard. Assuming an "average cost" of \$1.50/cubic yard of dredged material for the channel project, a preliminary estimate on the cost of dredging a 35-foot deep x 400-foot wide channel would be \$13,800,000. The Maryland Port Authority conservatively estimates maintenance costs at \$80,000 per year. 2/

Sources of funding for the channel dredging include: federal,
State and local government, and industries locating at the site.

If the industry were to fund the dredging, the competitive advantage of the site will be lost and there probably would be no interest in locating at the site. Because of the time consuming aspects of

EBS Management Consultants, The Impact of the Proposed Annemessex Canal Industrial Complex Near Crisfield, Maryland, 1968.

^{2/} Wallace, D. J., Personal communication (Maryland Port Authority) to Mr. Wahbe, Secretary, Department of State Planning. September 18, 1970.



dealing with an application for Federal funds via the Federal Maritime Administration this source does not appear to be appropriate.

Other Federal funding would be subject to justification based upon cost-benefit analysis, Congressional action and, hence, significant time delays. The only funding sources remaining are the State or local governments. Somerset County, because of its limited financial resources, will find it difficult to finance the project. Therefore, the inescapable conclusion is that the State is the most expedient and logical source of funding the channel dredging costs.

- b) Railroad For the site to be fully competitive, direct rail access is assumed to be mandatory. Therefore, new construction of terminal and individual spur lines will be needed to service site industries requiring bulk transportation facilities. Consequently, there are two major items which are necessary to provide rail services to the site spur lines and a grade separation.
 - (1) Spur Line Cost Any rail service to the site (if developed) will have to be financed by the developer. In addition, rail service to each industrial activity must be paid by the industry or the developer. Under existing Penn Central Railroad policy, the developer assumes all costs of installing rail spurs to the site. Penn Central will then provide a rebate to the developer based upon the amount of freight transported. The cost for extending all spur lines is \$22 per foot. The distance from the easterly boundary of the site to the final location of the port facility is 8,400 feet, which results in an extended spur line cost of about \$185,000 as a minimum because this cost excludes auxiliary service to individual sites.



- (2) Grade Separation Cost Departmental discussions with both the Maryland State Roads Commission and Penn Central Railroad representatives have lead to the conclusion that a spur line from the existing Penn Central line to the site will require a grade separation across Maryland Route #413. Grade separation will involve not only the cost of installing the rail facilities, said costs projected at \$1,000 per foot, but the cost will include acquisition of additional land for supportive curves and grades for rail service. Due to lack of sufficient data, no estimates were made on the cost of a railroad grade separation over Maryland Route #413.
- c) <u>Highways</u> The following highway improvements will be necessary to provide essential complementary road service. <u>1</u>/ The total estimated cost is \$8.2 million plus \$400,000/year maintenance costs.
 - (1) Maryland Route #413, which is currently a two-lane facility, must be dualized from U. S. 13 to Crisfield. In addition, the existing lanes must be totally rehabilitated. These improvements are not listed in the State Roads Commission's 20-Year Needs Study. The estimated cost is \$6,000,000.
 - (2) Maryland Route #667 from Maryland #413 at Marion to U. S. #13 will require improvements which are not listed in the State Roads Commission's five-year improvement program and only part of the project is included in the 20-year Needs Study. The cost of this upgrading will be \$2,200,000.

8-11

Fisher, David H., Personal communication from the Chairman-Director, Maryland State Roads Commission to Mr. Vladimir Wahbe, Secretary, Department of State Planning, September 21, 1970.



- (3) Annual maintenance costs for new and/or improved roads is estimated at approximately \$400,000 per year.
- d) Airport Originally, the proposed development site encompassed the Crisfield municipal airport. The airport has since been deleted from the site. 1/2 (Map No. 2). However, deletion of the airport from site acquisition has not eliminated a potential conflict between the airport and site development. The airport occupies a rather significant position in relation to the development site when the airport's shape and other factors are considered, such as the potential types of physical structures on the site that may reasonably be expected, i.e., buildings, towers, smoke stacks, etc., as well as atmospheric emissions from industrial operations. These features would pose problems for air traffic at the airport. Obviously, the characteristics and requirements of each potential "neighbor," the airport and the complex, clearly suggest mutual incompatibility.

The possibility of relocating the airport has been suggested, 2/however, the matter has not been explored seriously. Approximately \$130,000 has been invested in the present airport facility. Of interest is the fact that the City of Crisfield and Somerset County have not returned the \$16,500 borrowed from the State Aviation Commission in 1960. It is doubtful that the facility and/or possibly larger facilities generated by site development can be duplicated elsewhere at less cost. The apparent airport/site conflict and relocation matter needs more study in terms of relocation feasibility, new air transportation requirements (assuming development), alternatives (Salisbury) and costs.

Pate, William A., Personal communication from the Director, Department of Economic Development to Mr. Vladimir Wahbe, Secretary, Department of State Planning. September 21, 1970.

 $[\]frac{2}{}$ Tbid.



e) <u>Terminal Development</u> - Substantial expenditures will be necessary in order to provide facilities such as bulkheads, docks, piers, protective pilings and the like which are essential for an adequate terminal site. Lack of detailed information prevents estimating the cost of these required improvements.

3. Other Direct Costs

If the proposed project is constructed, there are certain costs, some more definite than others, that should be directly attributed to the project. These costs cannot all be envisioned, understood, or adequately projected at this time. Some sample "other" costs that can be anticipated are discussed below.

a) Janes Island State Park - Maryland owns 2,974 acres of
Janes Island for conservation and recreation purposes (Map No. 6).
The Department of Forests and Parks is proposing to add 200 acres
on the east (mainland) side of Daugherty Creek to its current State
park site. 1/ The State park has an access problem since it is
severed from the mainland by Daugherty Creek. The 200 acre mainland park expansion is designed primarily to accommodate activities
which cannot be properly provided on the Island; parking, an information center, space for campers, etc. These 200 acres are included
also in the industrial complex site (as proposed).

It is difficult to imagine the industrial complex as a desirable neighbor of the State park. There are potential noise, pollution of water and air, and aesthetic problems. Conversion of the Little Annemessex Canal and Daugherty Creek to a shipping channel

^{1/} Wallace, D. J., Op. cit.



will require a navigable waterway at least 400 feet wide. Since
Daugherty Creek-Little Annemessex Canal is only 100 feet wide,
300 feet of land would have to be dredged from either Janes Island
or the mainland to provide an enlarged shipping channel.

Total investment in the State park is programmed at \$998,000. Of this amount, \$702,000 has previously been appropriated, an additional \$25,000 will be needed subsequent to 1975, and \$271,000 is programmed for expenditure during FY 1972.

b) Electrical Power Needs - The three general industrial categories for which site development is proposed will need large amounts of electrical energy. A question arises as to the adequacy or sufficiency of present electrical power supplies to the site. For example, consider the situation currently facing the Delmarva Electric Power Company system. As a segment of the northeast power grid, the Delmarva Electric system is committed to supplying power to urban areas upon demand. Most electric power experts have stated that Delmarva produces sufficient power for its own needs. However, as a part of the northeast grid, the Delmarva system must also produce or provide power for the metropolitan areas in emergency situ-Since several metropolitan areas are unable to adequately project demands for their power needs, the local system produces power which is sold to metropolitan areas to meet the demands of major population centers outside of the Eastern Shore. Therefore, is there enough reserve electrical energy in the Delmarva electric

Maryland Department of Forests and Parks, Action Program for Facility Development, Technical supplement to "A Master Plan for Outdoor Recreation 1967-1976," revised August 1, 1970.



power system to supply the rapid growth in energy needs that would be associated directly and indirectly with the development of the site? To date, this feature of the proposal has not been studied in sufficient detail to provide a satisfactory reply. Therefore, an analysis should be made of regional power needs and trends to determine whether the existing local system is adequate for the industrial complex.

4. Indirect Local-State Costs

If the project is constructed, there will be many local costs which often are provided by substantial State cost-sharing financial participation. A brief explanation of these costs follows:

- a) Education Education would be a significant indirect local-State cost of the project (if developed). The EBS report estimated that nearly 1,300 additional students would enter the local education system; approximately 900 more in Somerset County and 400 more in Wicomico County. Consequently, two new schools would be needed in Somerset County and an additional school would be needed in Wicomico County. Two new elementary schools will cost approximately \$2,250,000, based on local estimates. The annual cost of educating a student in Somerset County was \$662, and \$699 in Wicomico County (FY 68-69). On an annual basis and related to 1968-69 costs, estimated added education expenditures would be \$875,400 per year (Somerset \$595,800; Wicomico \$279,600). 1/
- b) <u>Community Services</u> Implementation of the project with resultant population growth will require increased county and

Maryland State Department of Education. Selected Financial Data Maryland Public Schools and Community Colleges 1968-69, Part III, Analysis of Per Publi Costs. May, 1970.

municipal expenditures for new and expanded community services. This will be particularly true in Somerset County where services are being provided presently at a minimum level. An industrial complex such as the one proposed will substantially increase local expenditures for medical facilities, garbage collection, police and fire protection and other public services. Although projected local revenues have been estimated to substantially increase, these should not be viewed as a "net profit" to the county. Undoubtedly, as a result of the project, higher local expectations will translate into demands for service improvements during early stages of development. Thus, Somerset County might be faced with demands for expending large sums of money in order to assist the development of the project without receiving adequate compensating revenues from the project until a later date. It will be difficult for a county faced with financial hardship to pay for a variety of local services which are not now provided in the area. Although many of these services are shared by state financial assistance, rural communities are often faced with difficulties in raising the local share of the project costs. In all probability, it will be necessary to substantially increase local taxes in order to gain sufficient revenues for providing local improvements which are associated either with the project directly or indirectly so as to service an anticipated 5,000 new residents of the county due to the project.

c) Administration - A larger local administrative and professional staff will be necessary in order to provide increased services. A complete series of local development codes should be



adopted by the county to protect property owners from adverse effects associated with a project of this scale. Specifically, these codes will involve subdivision regulations; a building code; a fire code; an electrical code; a housing code and a plumbing code. In addition, the local government must institute capital improvements programming and additional budgeting procedures.

As a means of guiding the pattern of land development, the local zoning ordinance would have to be substantially revised and strengthened in many respects. The existing ordinance was designed to accommodate a rural community which was anticipated to undergo moderate future changes. Implementation of the proposed complex would substantially reduce the time period during which these changes will occur from a 30-year period to a more immediate 10-year period.

Summary of Preliminary Cost Estimates

It is estimated that development cost of the project will range from a minimum of \$21 million to over \$40 million or from \$24,031 to \$44,725 per acre (Table B-2). This price developed acre exceeds a per acre development price goal of \$5,000 established by the Department of Economic Development as the level essential for the Annemessex site to be competitive with other possible alternative sites. In addition, partial annual maintenance costs are estimated to be at least \$500,000 per year exclusive of administrative and additional operational costs.

These preliminary estimates are considered tentative and incomplete due to lack of adequate information. Examples of lacking cost information include:

+			

- expenditures necessary to provide a grade separated rail spur to the site;
- 2) terminal improvement costs;
- 3) utilities facilities and environmental control costs; and
- 4) estimates on public debt service or interest charges (if the State should finance the project). Assuming a total debt of a mean average between the minimum and maximum total project cost with a 4% interest rate, the interest charge for the first year of the bond funding will be \$1,200,000.



Table B-2 - Estimated Development Costs for the Proposed Annemessex Complex, Crisfield, Maryland

	·	Minimum	Maximum	Annual Maintenance
1.	Site Costs			
	A. Acquisition B. Preparation C. Storm Drainage D. Utilities E. Water Supply F. Wastewater Treatment G. Solid Waste Disposal H. Fire Control I. Lighting J. Flood Control	619,000 6,800,0001/	1,200,000 13,600,000 <u>2</u> / - - - - - -	
2.	Transportation Facilities			
	A. Highways			400,000
	(1) Maryland #413 (2) Maryland #667	6,000,000 2,200,000	6,000,000 2,200,000	
	B. Rail Facilities			
	(1) Spur(2) Site(3) Grade Separation	185,000 - -	<u>-</u> -	
	C. ChannelD. AirportE. Deepwater Terminal	3,500,000 75,000	13,800,000 130,000 -	80,000
3.	Related Costs			
	A. James Island State Park B. Environmental Controls	-	998,000 -	
4.	Indirect Local-State Costs			
	A. Schools Const. 3/ B. Police and Fire C. Community Services D. Administration TOTAL COST	2,250,000	2,250,000 - - - \$40,262,000	
	Total Project Per Acre Cost	24,031	44,735	

 $[\]frac{1}{2}$ / Assumes 400 acres developed. Assumes 800 acres developed.

Annual operation costs \$875,000 not included.



Potential environmental hazards associated with the proposal might affect the air, water, and esthetic amenities. These hazards pertain not only to the site proper but might exert their influence a considerable distance from the complex. The following information is based upon the EBS report, responses to Departmental requests for information, and other Departmental resources.

1. Water

Operation of an industrial complex such as proposed would require the introduction of huge concentrations of materials with significant pollution potential to the County and its surrounding environs. While at the same time, the site and large areas in the immediate vicinity are biologically very productive and supportive of significant commercial and non-commercial economic values. Construction and operation at the proposed site will disrupt existing ecosystems. It is not possible to ascertain and assess the precise magnitude and implications of the disruption at this time. Detailed information on site development requirements, demands on the surrounding environment for supportive resources, industrial processes, biological inventories and the like would be required before such an assessment could be determined.

Erosion, sedimentation, discharge of liquid wastes, solid waste disposal, tank and bilge pump-outs, material transfers from ship to shore and vice versa, plant operations, etc.; all of these items each individually, collectively and in combination pose potential immediate and long-term continuing threats to existing environmental



amenities. Even with advanced technology and assuming environmentally perceptive maintenance, operation and regulation, the potential for water pollution is not abated. Human error in judgement and equipment failures render the possibility of pollution ever existent. No amount of good intention or expert design can correct the damage which can and will occur from pollution incidents. Remedial actions are by definition after the fact and therefore too late. This does not say that appropriate precautions and procedures are not available or can not be developed to address the potential pollution problems. However, extreme caution and thorough advance consideration regarding environmental matters must be prime requisites if there should be any development of the nature envisaged in the proposal.

2. Channel

Basic to the development proposal is the fundamental need for the proposed site to have a deep, direct navigable channel to the Bay. A route following the Little Annemessex River-Daughtery Creek is the preferred route to provide deep water access to the site for ocean going vessels. Therefore, access to the site from the deeper water natural channel in the Bay will require a man-made channel approximately 8 miles in length. This route is longer than other alternatives (Map No. 4). However, it is believed that the preferred route (if dredged) would result in the least damage to marine resources in the area.

Environmental problems will be created, however, if an eight mile channel (depth, 35 feet) is dredged. These problems attendant with dredging include the amount of material which must be removed and disposed of in order to provide the needed navigable access



channel. Previous marine construction experience in the area has indicated that expected dredged material (spoil) is unsuitable for fill purposes. This is particularly true in this case when related to industrial development and its accompanying soil load-bearing demands. Therefore, the spoil generated by channel dredging will probably not be useable as fill for site development. Instead, special spoil disposal areas will have to be selected. Judicious selection of land sites for spoil disposal would avoid additional aquatic environmental degradation from siltation.

Based upon width to depth ratios necessary to establish and maintain a channel 35 feet deep, considerable removal of island land will be necessary where the channel borders Janes Island State Park. It should be pointed out that the canal recently dredged for small boats adjacent to the easterly portion of Janes Island has a channel six and a half feet deep and 60 feet wide in a dredged "cut" 100 feet wide. Poor soil quality conditions at the edges of the existing canal will most likely increase environmental problems, construction costs, routine maintenance costs and annual operating costs of the project.

3. Groundwater

Maximum water depth in the Crisfield channel is about 14 feet at mean low water. 1/ The dredging required to provide a 35-foot deep channel could possibly endanger certain ground water resources in the vicinity by facilitating brackish water intrusion into the surface water table and shallow aquifers. Dredging could either remove or

^{1/} U.S.C. & G. S. Chart No. 555.



disturb bottom sediments which act somewhat as a barrier between brackish water in the estuary and fresher shallow ground water resources. With the continued extraction of large amounts of ground water from shallow aquifers and the surface water table (assuming such usage at the site), the cone of depression thus created would induce brackish water to intrude into these fresher areas from the estuary, hence contaminating them.

At the present time, both Crisfield and Janes Island State Park are supplied by deep wells (at least 1,000 feet) into the Magothy Formation aquifers. $\frac{1}{}$ If significant quantities of fresh water are required for envisioned industrial operations, quite likely the limited surface and water table supplies in the County would prove to be inadequate to meet needs. Consequently, extensive development and utilization of underlying deep aquifer water supplies will be necessary. (This assumes that brackish estuarine waters are unsatisfactory for industrial operations). If that assumption is correct, if the needs for fresh water would exceed 1,000,000 gallons per day and if slightly brackish medium depth aquifer water supplies are unsatisfactory -- then there is doubt as to the adequacy of sufficient water supplies to support the proposed development. In the event that this series of "ify" situations should materialize regarding the source(s) and magnitude of water supply during further development and planning of the proposal, additional, special investigations should be undertaken on the ground water hydrology regimen of the Eastern Shore, particularly in the vicinity of Crisfield.

State Planning Department and Maryland Geological Survey. Ground-Water Aquifers and Mineral Commodities of Maryland. Pub. No. 152.

May, 1969.

C-h



4. Air

The proposed industrial mix suggested for the site (EBS report) is dominated (60%) by petrochemical/plastics processing. The types of industry suggested for the site traditionally emit noxious gas and solid wastes into the air. Presumably these can be attended to by modern air pollution prevention devices. Accidental emissions could present serious problems, however, due to the proximity of Crisfield, Janes Island State Park and vast nearby wildlife areas which could be detrimentally affected by emissions from the industries (Maps 5 and 6).

5. Noise

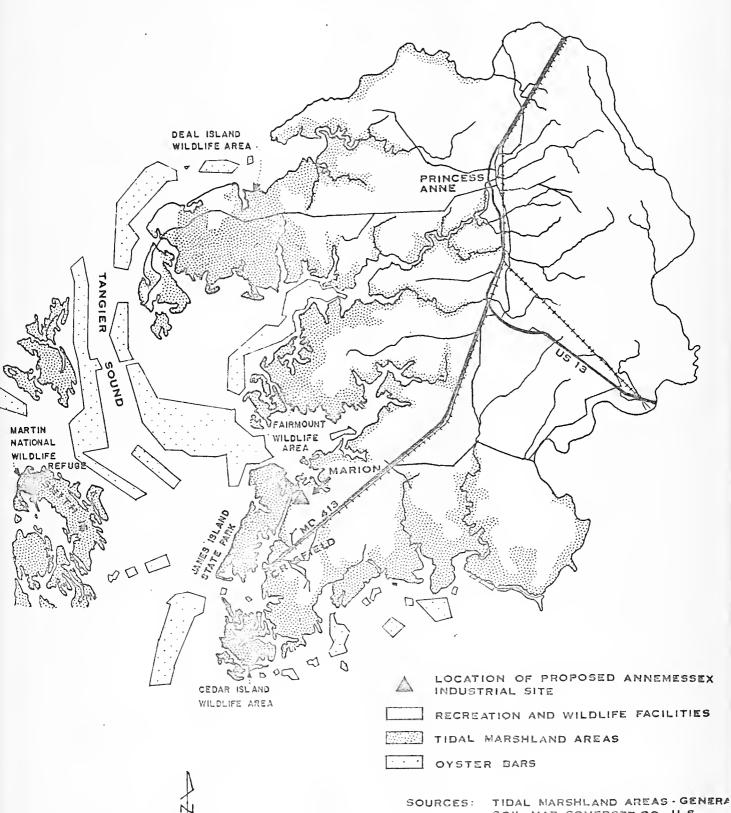
Operations proposed for the site as revealed in limited detail in the EBS report have significant noise pollution potential. Chief among these operations are steel rolling and metallurgical refining. Excessive noise might have a significant impact on surrounding areas which are the habitat for approximately 200,000 waterfowl. The complex site is in very close proximity to Janes Island State Park, publicly and privately owned conservation and wildlife areas, and to the community of Crisfield. These areas are shown on Map No. 5.

6. Wetlands

The danger to significant wetland areas from this proposal is great. These areas are depicted on Maps 2 & 5. Those few hundred acres of wetlands on the site proper, though important, are not the major wetland concern related to the industrial complex. Over 10,000 acres of wetlands are so situated in relation to the site that varying degrees of environmental damage to them may be anticipated from development and industrial operations at the site. An under-



WILDLIFE & FISHERIES ENVIRONMENT



MARYLAND DEPARTMENT OF STATE PLANNING

1 INCH : 4 MILES

TIDAL MARSHLAND AREAS GENERAL SOIL MAR, SOMERSET CO., U.S.
DEPT. OF AGRICULTURE; RECREATIC WILDLIFE FACILITIES - MARYLAND OFFICIAL HIGHWAY MAP; OYSTER BARS - PLATE 24, MASTER PLAN FOWATER & SEWAGE, SOMERSET CO.

	;	

standing of the ecological importance of wetlands is assumed.

Table C-l presents a cursory inventory of the wildlife which uses
the 3,000 acres of wetlands in the immediate vicinity of the site.

7. Land and Soil

A review of soil survey information on the area indicates a variety of natural problems which originate with the poor soil quality encompassing a major portion of the site. Table B-l includes information on soils with regard to their suitability for development (See also Map No. 3). Site soil characteristics suggest that special measures will be required to prepare the site for development. Existing surface water runoff is minimal because of the high water table and poor quality of the soil. Consequently, the area is considered as marginal farmland which usually is a reliable indicator that an are is unsuitable for other types of development use as well. The site is only slightly above sea level; has a high water table; has poor soil drainage; and is subject to tidal flooding during high water periods.



Table C-1 - Rough inventory of wildlife associated with wetlands in the vicinity of the proposed Annemessex industrial site.

Migratory Waterfowl:

Puddle ducks - used yearly for production and reproduction, resting, loading and feeding, especially for blue wing teal, mallards and black ducks.

Diving ducks - used in the spring, fall and winter by these species for resting, loafing and feeding.

Canadian geese - used in the spring, fall and winter for resting and feeding.

Other Migratory Waterfowl:

Mourning dove and Clapper rail - used in the spring and fall for resting and feeding.

Fur Animals:

Muskrat
Otter
Opposum
Mink
Raccoon
Fox
Skunk

All species use the area yearly for their natural life cycles.

Big Game and Upland Game:

Deer Squirrel

Bobwhite quail

Rabbi t

Used yearly for natural life cycles.

Shorebirds and Waders:

Ibis
Egret
Willet
Gulls
Terns

All species use the area(s) yearly for their natural life cycles.

Great blue heron

Bitterns

Sandpipers - Migratory - resting and feeding.

Finfish (known):

Stripped bass White perch Weakfish Spot Used at various times and various stages of life cycles - not completely understood.



Table C-1 (Cont'd.)

Shellfish and crabs:

Blue crab Oysters Mannose Area is occupied for part of the

life cycles.

Other birds and songbirds:

Osprey)
Bald eagle)
Red-shouldered hawk

Utilized by them yearly.

Marsh sparrow hawk
Numerous songbird species - Yearly.

The primary purpose of this appendix is to present a brief review of existing local and State plans to determine any relationships or consistency of the project with previous expressions of desired future development.

1. Somerset County Comprehensive Plan

The Somerset County Planning Commission adopted a master plan for Somerset County in June, 1963. The plan envisioned small light industrial areas in the Crisfield area to the east of Maryland State Highway #413. This location is directly across the highway from the development site. The site itself is coded on the plan map for agricultural and resort residential use. Expansion of the port area in Crisfield was also envisaged.

The following comments pertaining to County land (including the Annemessex site) have been extracted from the plan report.

"The agricultural area also includes vast marsh areas along the western and southern fringes of the County. Although very little agriculture as such is found here, it should be maintained in its present state as much as possible. The economic value of the area should be preserved as a haven for wildlife and as an attraction for sportsmen."

"In addition to the agricultural, fishing, and trapping activities, all of which should be encouraged to continue to flourish in the agricultural area, other uses closely related to these activities should be permitted after review by the Board of Zoning Appeals. Such related uses should include farm labor camps and the processing of agricultural products, commercial marinas, boat building and maintenance facilities, and the processing of marine products. Although vital to the continued economic development

Werner-Dyer Associates. Plans and Policies. (Somerset County, Crisfield and Princess Anne.) Somerset County Joint Planning Board. 1963.

of this section of the County, these uses can be undesirable in or near residential areas and should not be permitted indiscriminately."2

The following plan report comments pertain to the adopted Plan's industrial land use portion:

"If Somerset County is to hold its own, much less grow, space will be needed for the manufacturing industry. The Land Use Plan provides almost 900 acres for this purpose. This is far more than will be needed; however, it is desirable to be able to offer each industrial prospect a choice of locations. Also, the supply of industrial land should exceed the demand in order to keep land prices at a level that will attract industry."

"The waterfront area of Crisfield is and should continue to be used for industry. This area has city utilities and good rail and highway access. However, improvement of the channel would make the area more attractive to industries using water transportation."

"The light industrial area north of Crisfield along the railroad, on the east side of Maryland #413, should expand northward." (Carvel Hall site).

"The only new industrial area planned is partly occupied by old Camp Somerset on the northeast side of Route U. S. 13 at Westover. Located near the geographic center of the County, within easy commuting distance of most County residents, at the intersection of the County's two most important highways, served by railroad, and containing about 560 acres of land, this area could become the industrial center of Somerset County."

"The industrial area in the southeast corner of Princess Anne is well situated in relationship to utilities and railroad transportation. However, this area cannot expand until road access is improved, as recommended by the Transportation Plan."2

2. State Assistance to Local Planning

The Department of State Planning has attempted to assist the County in planning matters. In 1969, a comprehensive planning program

Ibid.

^{2/} Op. cit.



was commenced and the Department secured Federal planning assistance funds to aid the County in a multi-year program designed to revise the 1963 plan. Unfortunately, the program was discontinued during the first year due to the illness of key local personnel and the program has not been re-activated.

3. Somerset County Water and Sewerage Plan

The county water and sewerage plan-/adopted by the County

Commissioners in 1970 is a current expression of anticipated development. Provision of utilities will determine to a large degree the
location of development. As far as future industry is concerned,
current county water and sewerage plans are consistent with the 1963

Comprehensive Plan and the Zoning Ordinance adopted in 1969. Improvements are proposed for the Crisfield water and sewerage treatment plants. However, the proposed expansion was not based upon the
industrial water or waste treatment demands that may be anticipated
from the proposed industrial development.

. Somerset County Zoning Ordinance

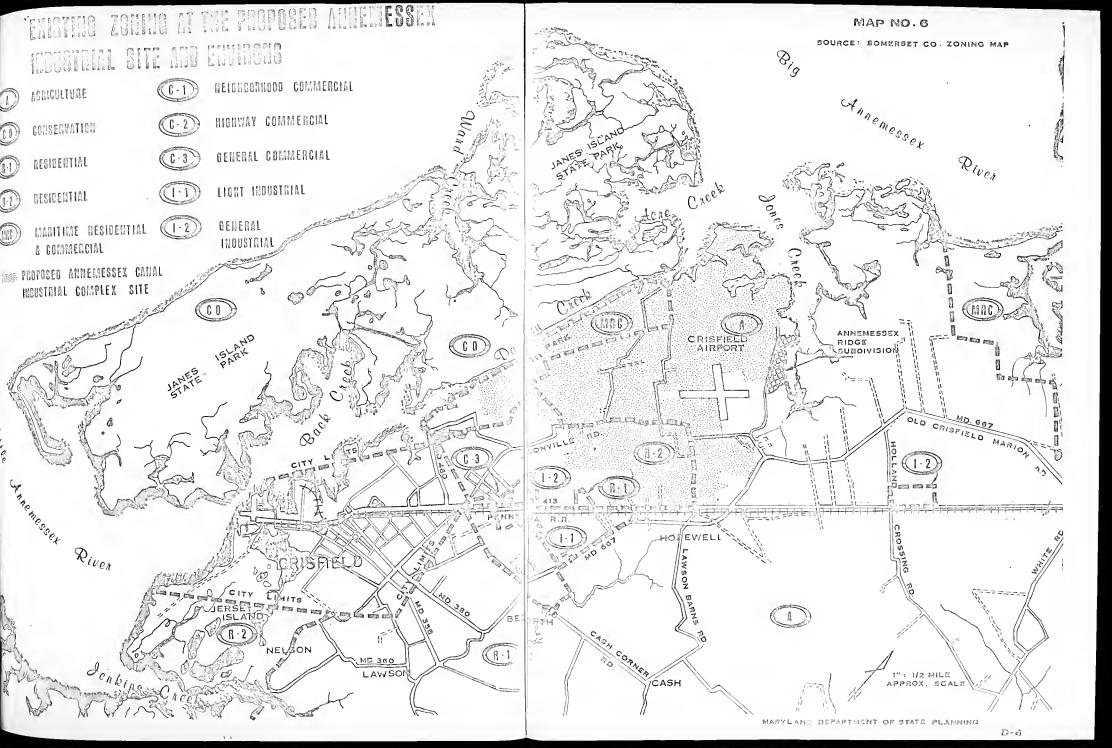
The zoning text and map2/were approved by the County Planning Commission and adopted by the Board of County Commissioners in 1969. The current zoning of the site and surrounding area is shown on Map No. 6. The site is divided and mapped into the following districts:

Maritime Residential and Commercial
Agricultural
Residential R-1
Residential R-2

Rummel, Klepper and Kahl, <u>Master Plan for Water Sewerage</u>, <u>Somerset</u> County, Maryland. Commissioners of Somerset County. 1970.

^{2/} Zoning Ordinance, Somerset County, Maryland. Commissioners of Somerset County. 1969. D-3







As the titles of the districts imply, the proposed use would not be permitted as the land is currently zoned. Even if the site were rezoned to General Industrial, there is some doubt as to whether the uses proposed could be accommodated without amending the text of the County Zoning ordinance.

Since the project would have tremendous direct and indirect consequences on the County, these revelations are of a serious nature. For a project that has been in the planning stages for a considerable period of time, there is a significant lack of demonstrated advance local and State preparation.

5. State Plans

Because of the scope and nature of the proposed development, a review within the context of current State development planning is necessary, especially considering suggested possible State investment in the proposal.

The Maryland Outdoor Recreation and Open Space Plan suggests that portions of the site should be a part of an envisaged Statewide open space and outdoor recreation system. Additional support regarding conservation of natural assets in the vicinity of the site is found in the following reports from the State Development Planning Series:

Catalog of Natural Areas in Maryland, Wetlands in Maryland, Ground-Water Aquifers and Mineral Commodities of Maryland.

Based upon the results of this special review conducted on the proposed project, the Department of State Planning is unaware of any official, functional State agency plans which either imply or justify the need for intensive industrial development at the site.

Maryland Department of State Planning. Maryland Outdoor Recreation and Open Space Plan: (Concept Plan, I). 1970.



APPENDIX E - TECHNICAL ASSISTANCE APPLICATION TO THE ECONOMIC DEVELOPMENT ADMINISTRATION - (COMMENTS ON ESSENTIAL ELEMENTS)

Any application for additional study with regard to the "feasibility" of the proposed industrial development complex should be comprehensive in scope. The prior EBS consultant study dealt with a hypothetically described industrial concept. Because of this constraint more questions than answers have emerged to guide responsible officials in evaluating the proposal. The following outline suggests the nature of the elements that must be incorporated into any legitimate consideration as to the project's feasibility.

The recommendation by the Secretary, Department of State Planning to endorse applying to the Economic Development Administration for financial assistance on further feasibility studies is wholly conditioned on the modification of the existing proposed application, generally consistent with the following suggested revisions or amendments.

1. Project Definition

- a) Industrial processes that would be located at the site must be specifically delineated in order to establish their operating characteristics. This information must be provided as a starting point in order to facilitate a realistic appraisal of all the economic, ecological, and engineering aspects of the project.
- b) A preliminary site plan must be developed indicating the proposed location for major improvements to the site. Consideration should be given in this phase to the status of the existing airport as either a part of or separated from the complex. In addition,



roads, rail service, terminal facilities, utilities and industrial locations should be identified in relation to the surrounding area.

- c) Staging of project construction should be estimated in order to provide the local community with guidelines for evaluating and coordinating their supportive efforts generated by project development. As a minimum, this staging should include the following items:
 - (1) Proposed sequence of development;
 - (2) Estimated time for completing each sequence; and
 - (3) Assessment of local fiscal responsibility.

2. Site Preparation

- a) Determine fill requirements, source(s) of fill, cost of fill.
- b) Determine potential requirements for extracting organic materials from the site and magnitude of related costs.
- c) Determine drainage and tidal flooding protection requirements (in conjunction with fill and grading standards).
- d) Determine liquid and solid waste disposal facility requirements which will be necessary to serve the complex, so that industrial operations will be in compliance with all appropriate environmental regulations.
- e) Determine water supply and treatment needs and examine the following items:
 - (1) Compare estimated demand against existing and available water supplies;
 - (2) Determine the potential impact of site industrial water demands on available sources of water supply;



- i.e., both surface water and deep well ground water systems; and
- (3) Determine the impact of channel dredging on shallow ground water aquifers in the region.
- f) Estimate the costs associated with each item mentioned above.

3. Channel Development

Possibly the most strategic factor of the proposed concept concerns the establishment of deep water access channel from the Bay proper to the site in order to provide proposed industrial sites with a marine shipping linkage. If further study is undertaken, the following items should be considered in order to obtain relevant data regarding development of the proposed channel.

- a) Determine the depth and width requirements of ships that could be expected to transit the channel.
- b) Analyze all possible channel location alternatives based upon their potential for development and their limitations to development in terms of environmental impact of dredging and spoil disposal.
- c) Based upon channel recommendations, estimate the quantities of dredge material; determine economically and environmentally acceptable spoil disposal areas; and determine the costs requirements for each channel alignment, the following factors should be considered:
 - Effect on Janes Island State Park and other adjacent land;
 - (2) Effects of tidal changes;
 - (3) Erosion control requirements adjacent to the channel;

	•	

- (4) Impact of increased shipping activity on existing maritime traffic; and
- (5) Estimate periodic channel maintenance costs.
- d) Determine the necessary turning basin requirements and approximate costs.

4. Terminal Facilities

Based on specific operating characteristics of proposed industrial tenants and the site plan (Item 1 above), develop a marine terminal plan and estimate costs.

5. Test Borings

A series of test borings should be undertaken to provide specific information on the suitability of dredging spoil as fill material at the site. Information derived from this phase of the report should indicate also the capability of soils at the site area to support industrial buildings with heavy load bearing characteristics.

6. Energy Requirements

- a) Estimate site needs and demands for electricity, fuel oil and natural gas;
- b) Determine the availability of power and the ability of the Northeast grid system to produce power in sufficient quantity to service the site consistent with the proposed construction schedule (as developed);
- c) Determine the availability of natural gas and the economic feasibility of extending natural gas to the site, and estimate anticipated demands for natural gas by industrial clients; and

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d) Analyze the existing rate structure for both electric power and natural gas in order to ascertain the effects of existing rate structure on the potential marketability of the site as against other competitive areas on the East Coast;

7. Airport

The following items should be examined:

- a) Function of airport in relation to the proposed project;
- b) Impact of runway location on the siting and operation of industrial facilities;
 - c) Impact of industrial facilities on the airport;
- d) Determine land use controls necessary to protect various aircraft operational zones, based on the highest level of potential air service; and
- e) Determine the future of the airport, i.e., remain at present location; move to an alternative site or do not maintain or replace.

8. Financial Analysis

a) Summary of Cost - Estimate the cost of project improvements on a per acre basis, and determine financial assistance requirements necessary to develop the site so as to be competitive with other such locations on the East Coast.

b) Itemized Costs -

(1) Site Development

- (a) Land acquisitions
- (b) Fill
- (c) Rough grading
- (d) Storm drainage
- (e) Water supply
- (f) Wastewater treatment



- (g) Solid waste disposal
- (h) Local access roads
- (i) Lighting
- (j) Fire protection

(2) Transportation

- (a) Rail
 - (i) Main spur from existing branch line to terminal
 - (ii) Site spurs from main spur to industrial sites
 - (iii) Grade separations
 - (iv) Maintenance
- (b) Channel and Turning Basin
 - (i) Dredging and spoil disposal
 - (ii) Erosion control measures
 - (iii) Maintenance
- (c) Terminal
 - (i) Dockside improvements
 - (ii) Erosion control measures
 - (iii) Maintenance
- (d) Airport
 - (i) Runway improvements
 - (ii) Facility Improvements
 - (iii) Relocation
- (e) Highways
 - (i) Improvements to existing routes
 - (ii) New construction
 - (iii) Maintenance



c) Fiscal Responsibility

- (1) General-State Agencies, i.e., Maryland Port Authority, Department of Natural Resources, etc.
- (2) Somerset County
- (3) Federal Agencies
- (4) Private Sector
- d) Sources of Funds Estimate appropriate cost shares between
 - (1) Federal grants and loans (by agency or program)
 - (2) State grants and loans (by agency or program)
 - (3) Local participation
 - (4) Bonds State and Local, revenue and general obligations
 - (5) Private inputs

Economic Impact

9.

The tentative application prepared for submission to EDA is inadequate since it doesn't require a detailed analysis of economic
benefits. This situation may be due to a reliance on the impact data
contained in the EBS report. However, the application should contain
an appraisal on the economic impact of the proposed project. This investigation should consider at least the following features.

- a) Identification of Impact Group(s) and Area(s)
- b) During Period of Construction
 - (1) direct development expenditures, by type, source of funds (private, federal, state, local) and year
 - (2) increment in local employment and income incident to direct development expenditures by type and year

Analysis to include specific employment and income effects for that portion of the local labor force existing immediately prior to the initiation of the project.

E-7



- (3) secondary development expenditures, by type, source of funds (private, federal, state, local) and year
- (4) increment in local employment and income incident to secondary development expenditures, by type and year 1/
- c) Partial and Fully Operational Industrial Complex
 - (1) increment in local employment and income directly attributable to partial and fully operational industrial complex, by type and year 1/
 - (2) increment in local employment and income indirectly (multiplier effect) attributable to partial and fully operational industrial complex, by type and year
 - (3) increment in State and local current expenditures and revenues incident to partial and fully operational industrial complex, by type and year

10. Environmental Quality Impact Analysis

The proposed application for technical assistance for an engineering and economic feasibility study is deficient in that the envisaged scope of services gives inadequate coverage to environmental matters. Lack of information was cited by several sources contacted during this investigation as the reason which prevented them from

Analysis to include specific employment and income effects for that portion of the local labor force existing immediately prior to the initiation of the project.



conducting an effective analysis of the environmental "disbenefits" of the proposed industrial complex. Therefore, needed, but lacking, environmental analysis should be conducted (coincident with any feasibility study) in accordance with specific and detailed guidelines established or provided by both the Maryland Department of Natural Resources and the State Department of Health and Mental Hygiene. Additionally, the standards and requirements of the National Environmental Policy Act of 1969 (P.L. 91-190) should be used in such analysis in view of possible Federal financial and technical assistance concerning certain features of the proposed project if it were to proceed in the future.

The recommended, detailed environmental study should be directed toward, but not necessarily limited to the following concerns.

- a) Identify real or potential environmental and ecological problems that would be generated by the development of the site and industrial operations of envisaged tenants. Specific features that should be analyzed include the construction, operation and supportive phases of the proposed relative to the site, immediate community and its environs, the region (Lower Eastern Shore) and the State. Especial attention to be paid to the compatability of the proposal against established State resource management programs in the immediate vicinity, i.e., Janes Island State Park, and nearby State wildlife management and refuge areas.
- b) Investigate possible interrelationships between shipping channel construction and operation of the complex with regard to



freshwater supplies and estuarine waters. Particular attention should be devoted to the ground water table, ground water aquifers and the possibility of salt water intrusion and contamination of these freshwater sources.

- c) Evaluate the hydraulic, oceanographic and ecological implications of modifications to Big Annemessex River, the Annemessex Canal and Tangier Sound by proposed dredging operations to provide essential navigable waterways.
- . d) Examine existing Federal, State and local environmental control laws and regulations with regard to their adequacy for protecting the environment in relation to development and operations at the site.
- e) Identify any additional measures necessary to provide protection to the human and natural resources of the State of Maryland including aquatic life.

1. Management

If this project should prove to be feasible, a management system must be designed to implement the proposal. The following management issues should be considered:

- a) Establish a management system for project planning, engineering, construction, administration, and operation.
- b) Outline the steps necessary to comply with all Federal, State, county, local review or regulatory requirements.
- c) Devise procedures necessary to coordinate Federal,
 State, and local participation required to implement the proposal.



CONCLUSION TO APPENDIX E

The material presented in the preceding 10 pages is intended to guide and not to limit the design of studies that may occur based on the major recommendations of this report. In a more general sense, we recommend that the studies should be structured within the following tramework:

- Preparation of a preliminary site plan together with an analysis of the project's impact on the impact area's socio-economic infrastructure.
- Economic feasibility study including market analysis.
- 3. Engineering feasibility study.
- 4. Environmental impact study.



APPENDIX F

In preparing this report in final form material contained in Appendix F of earlier drafts was consolidated and included in the remaining appendices. However, Appendices G and H were in the process of being printed precluding the possibility of numbering the appendices consecutively.



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- G-31 Robillard, R. A., President, Princess Anne Area Chamber of Commerce, September 2, 1970
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- G-33 Solomon, Neil, M.D., Ph.D., Secretary, Department of Health and Mental Hygiene, October 13, 1970
- G-34 Wallace, D. J., Assistant Port Planner, Maryland Port Authority, September 18, 1970





SENATE OF MARYLAND

ANNAPOLIS, MARYLAND

Box 296 Leanardtown, Maryland 20650 475-9110

December 22, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning Maryland Department of State Planning 301 W. Preston Street * Baltimore, Maryland 21201

Dear Mr. Wahbe:

I have been following with great interest the publicity with reference to the Crisfield Industrial Complex which will be across from our beautiful Southern Maryland. I have also read the splendid letter written you by Mr. Jess W. Malcolm of the Chesapeake Bay Foundation voicing the objections of that organization to this industrial complex. I share and heartily endorse every thought expressed in that letter and wish to add that I am absolutely opposed to this establishment.

I feel the eatire Bay and all its tributaries are going to be destroyed unless we have a more complete and strict plan of zoning for the entire area and keep all heavy industry away from it everywhere.

I can see the end in sight unless intelligent men such as you raise your voice against despoliation of this beautiful area.

Very Respectfully Yours,

Paul J. Railey

PJB:djb

ICHARD B. ROYCE, CHIEF CLERK AND STAFF DIRECTOR J. B. HUYETT, JR., ASSISTANT CHIEF CLERK M. BARRY MEYER, COUNSEL

J. GLENN BEALL, JR., MD, JAMES L. BUCKLEY, NY

LOWELL P. WEICKER, JR., CONN.

United States Senate

COMMITTEE ON PUBLIC WORKS WASHINGTON, D.C. 20510

February 19, 1971

Hon. Marvin Mandel Governor of Maryland State House Annapolis, Maryland

Dear Governor Mandel:

The Delmarva Industrial Development Association, Inc. has contacted me with respect to the proposed development of a Canal Industrial Park near Crisfield, Maryland.

They tell me that you have instructed Val Wahbe to prepare a report on the project and the feasibility of providing State funds to assist in its development. We would certainly appreciate knowing of the State's progress in this matter and would like to inform you of our willingness to be of assistance in any way possible in bringing this proposal into reality.

Sinterely

With best regards, I am

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RMIN BEHR,
President
CHARD F. CALHOUN,
Vice President
SRAYE-PAGE,
Legislative Coordinator
BERT HOLDENRIED,
Secretary-Treasurer

r. Vladimir A. Wahbe secretary of State Planning saryland Department of State Planning Ol West Preston Street altimore, Maryland 21201

ear Mr. Wahbe:

e sincerely appreciate the opportunity to express our views on the proposed nnemessex Maritime Industrial Park. As you indicate, it is not often that onservation groups are permitted to do this before firm decisions have been ade in favor of development.

embers of our Association have only visited the Annemessex site once and iscussed the proposal briefly with Delegate Dize. We are in no position to omment specifically on the environmental aspects by October 30. If developent plans proceed, we would expect to give the matter further study and omment again later. At the same time, we are not qualified to comment pecifically on the economic problems of the Crisfield area or to offer oncrete solutions.

asically, we believe that technical and economic feasibility studies should onsider <u>all</u> costs and benefits of a proposed development, rather than only hose the developer wishes to consider or which show up in the marketplace. he EBS Management Consultants study discusses certain kinds of potential nvironmental damage but tends simply to dismiss these problems as not serious nough to block the project. We feel that when the state or Federal governent finances economic development studies, these should be accompanied by cological impact studies in sufficient depth to determine whether a project s really in the overall public interest. It is not fair to place the burden f making ecological studies on unfunded citizens groups while spending tax oney for engineering and economic benefit studies.

n considering the potential benefits to the depressed economy of Crisfield, e wonder how many of those on the local unemployment rolls would actually be ffected. Not only would many of the industrial workers have to be imported, ut they might elect to settle primarily in the Salisbury area rather than risfield. Such commuting distances are quite common, and it is quite possible hat professional, technical and skilled workers would prefer the social tmosphere of the larger town. Also, the State should explore methods for oving unemployed people to jobs, which might be less expensive and more esirable than trying to bring industry to this area.



The Maryland Wilderness Association is actively associated with the Maryland Wetlands Committee, and we will join that Committee in a more detailed response to your letter.

Sincerely,

mir Bih

Armin Behr



COMPRISSIONERS OF SOMERSET COUNTY

PRINCESS ANNE MARYLAND 21853

TELEPHONE 651 0320



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BETTY E. PRICE CLERK HARRY T. PHOEBUS, JR . ATTO

February 16, 1971

n. Vladimir A. Wahbe cretary of State Planning 1 West Preston Street ltimore, Maryland 21201

ir Hr. Wahbe:

SIONERS

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TH BRADSHAW, PRESIDENT

In specific response to the ouestions posed in your letter of just 26th, addressed to this Board, and in furtherance of our scussion at the luncheon last Monday, I am herewith submitting swers to the questions posed.

Status of planning and zoning in the area of this proposal. 1.

The land contained in the area proposed for this project is presently zoned for agricultural use. As a matter of fact, the general approach to zoning in our county was that of zoning all areas for agricultural use other than those for which some specific and relatively immediate hire or different use could be contemplated.

Obviously, in order to accommodate the proposed project, it would be necessary that the site be rezoned to "General Industrial Zone I-2". It is anticipated that this would not propose any significant problem. The attitudes of both the members of the Planning and Zoning Commission and the members of the Board of County Commissioners is sympathetic to such rezoning; it is contemplated that the studies made and to be made in addition to this project would provide sufficient factual justification for the required rezoning.

It is submitted that this manner of zoning is not unusual for undeveloped lands in a county such as ours. Further, no purpose would be served by securing the rezoning of the site at the early stage.



. Vladimir A. Wahbe ruary 16, 1971 e 2

2. Ability of the County to control the development and maintenance of the proposed facility.

Rezoning and the provisions of the county's zoning ordinance affecting the general industrial zone, would provide broad limitations affecting the development.

Throughout the preliminary developments of this project, it has been contemplated that the site would be acquired, developed and maintained by an individual authority established for that purpose, involving a representation reflecting the county and City of Crisfield governments, or possibly including the Maryland Port Authority (such as now manages the Somers Cove Marina in Crisfield). Such a local authority was originally established for the purposes of managing the originally proposed project within the limits of Crisfield.

We, as local authorities, are amenable to the influence of other agencies in the structure of the authority controlling this project, particularly recognizing that with substantial state investment in the project, state representation on the controlling authority man be appropriate. (I might point out that the chairman of the authority which had been established for the control of the Crisfield project was the Honorable J. Millard Tawes).

It is anticipated that such an authority would operate through hired professional management personnel at the time that the project reaches such a stage of development as to justify the same.

3. Relationship of the proposal to the County Comprehensive Water and Sewer Plan.

This plan is currently in a status of being substantially rewritten, but without any significant regard to this project. It appears to us appropriate that the project be served by a self-contained water and sewer system designed to the needs of the project, and incorporated into the costs of the project.

4. Status of planning regarding expansion of County facilities and services, etc.

There are sufficient delays built into the development of this project to provide ample time for planning for the orderly absorption of the impact of the project, direct and indirect, and for the county's funding and construction of required services and facilities. Much of the employment

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Hon. Vladimir A. Wahbe February 16, 1971 Page 3

of the project, and particularly early employment will be drawn from the present population of the county, which will soften and spread the impact of the early phases of the development. Moreover, even after the original three or four year gap between the completion of the engineering and ecological feasibility study and the opening of the first plant, the subsequent development will be phased in, so that the full impact of the development upon the county will be relatively gradual and planning can be developed accordingly.

5. What portion of total project costs will be the responsibility of the County and is the County prepared to finance its portion of the project?

It is conceivable that the County will not bear any of the direct costs related to the project; it is probable that such costs, if any, will be minimal. We envision site acquisition and development costs to be covered by an EDA grant/loan, and channel and waterside development costs to be covered by a Maryland Port Authority LOan, with project revenues paying off the loans. The engineering and ecological feasibility study will provide more definitive answers to these questions, and if it suggest a need for any County financing, there will be ample time for the County to consider such factors and provide for them.

We would again request your cooperation and assistance in clearing way the procedural obstables so that the application - jointly submitted y our Board, the Maryland Port Authority, and the Maryland Division of conomic Development - may be submitted to the Federal Economic Development Administration for the funding of the study of the engineering and cological feasibility of this project. This application contemplates equesting a 100% grant from EDA. The approximate costs of the study prears to be a maximum of \$100,000.00 and it appears very likely that DA would approve at least a 75% grant, with the balance consisting of tate and local contributions, most of which can probably be in-kind. e would again remind you of the cold facts of our county's low per apita income, persistent high unemployment rate, steady loss of pop-lation (particularly high school and college graduates).

Very sincerely yours,

COMMISSIONERS OF SOMERSET COUNTY

Robert H. Bradshaw, President

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21 October 1970

6700 NEEDWOOD ROAD DERWOOD, MARYLAND 20855

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Mr. Vladimir A Wahbe

Secretary of State Planning 301 West Preston Street Baltimore, Md. 21201

Dear Mr. Wahbe:

Mrs Ruth Mathes has passed on to the Maryland State Division, Izaak Walton League of America your latter, dated 7 October 1970, and your description of the proposal of the Annemessex Maritime Industrial Park.

You note in your letter that, The supporters of this proposal have announced thier intention to apply to the Economic Administration of the Department of Commerce for funds to undertake a detailed engineering and environmental study. Who can we assume are the-

supporters of this proposal?

A very thorough and complete environmental study must be the first priority before any other parts of this proposal are completed. This environmental study should be made by a group who has no material interest in the Annamessex Maritime Industrial Park. The environmental studies should be objective and not influenced by any economic or monetaty gain to anyone. My feeling as to the group for this study is one which will be responsive to the public,, conservation organizations, and to the governmental agencies who are responsible for the protection and management of the environment. After all, an investment of \$110 million is a big amount of money so therefore the industries could make an investment in public good will by financing part of the cost.

I have, at hand, a a portion of the EBS report, chapter seven, entitled Potential Environmental Dis benefits. The title implies an effort to be straightfoward about the disbenefits. However, the compilers, to me, have presented a cas of naivness which I suspect is an attempt to disarm the more

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The Izaak Walton League of America

6700 NEEDWOOD ROAD DERWOOD, MARYLAND 20855

Specifically the disbenefits should be thoroughly examined, examples which are:

Channel dredging, my understanding is that the Annamessex canal is, at present, very shallow in the order of ten feet, the EBS report notes that a channel of 35 feet is proposed. It is difficult to understand a minimum depth of 35 feet when the large supertankers draw much more than 35 feet. A turning basin for these ships will most certainaly be a requirement. This turning basin would be quite large which will require a large amount of dredging. Dredging of this magnitude will most certainly have a diminishing effect on the life dependent on the water for their habitat.

Pollution by ships will be difficult to control unless extremely strict requirements are formulated and enforced with great severity. Dislocation of the bottom sediments by large ships operating in restricted waters will be very destructive of the environment. Pumping out of tanks of any kind should absolutely be forbidden and the penalties severe enough to encourage ship operators to develop technology to eliminate this form of polution. An oil spill of the magnitude of the recent one in Baltimore would, no doubt, be a disaster at Annamessex. The petroleum industry has not yet developed certain and positive procedures which, eliminate the human error. A major oil spill in this area would, definitely, not be an economic asset.

Disappearance of Wetlands has reached crisis proportions, especially on the east coast of the United States. These wetland's ecological value are of such importance to the entire environment that destruction of them, in any quanitity, should be viewed with great clarm. They can never be replaced and each parcel that disappears affects

many links in the chain of life.

We have no quarrel with the fact that all people should have a chance to provide themselves with a good livelihood. But, we do want any part of the natural resources developed and managed so that the greatest number of people will receive the benefits; not just a small few at the expense of destruction of the environment.

The objective of ciding Maryland citizens, currently not benefiting from a healthy economy, is excellent. Has any thought been directed at the possibility of enhancing those persons who have historically been associated with the sea food industry. Has any thought been given to assisting them in modernizing their tools of work and marketing methods, in other words, attempting to improve the local talent and know-how available in the Crisfield areas. Admittedly this would be a time consuming process and require a great deal of individual participation by the state and the people concerned.



Maryland State Dinisman



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The Izaak Walton League of America

6700 NEEDWOOD ROAD DERWOOD, MARYLAND 20855

I appreciate your condidness in submitting this synopsis to us for comment. My major concern is that this proposal be made more definite. That before any action is taken to activate this proposal a thorough and complete ecological study be completed. When this ecological/environmental study is combined with the types of industry, and after due process of public participation, then a decision be made as to whether to go forward with the project. At the present time there are too many questions that are unanswerable.

The Izaak Walton League, Maryland Division, appreciates you sharing this information with us and openly asking

us to make comments.

Sincerely Yours,

Miner W. Buell, Jr. National Director

Miner W. Buell, Jr. 5617 Oak Place Bethesda, Maryland 20034

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OHN S. CATLIN

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MAYOR

TING CITY CLERK AND TREASURER /ADE D. WARD

CITY SOLICITOR

CITY OF CRISFIELD

CITY HALL

CITY COUNCIL ELWATH W. H. TAWES

E. LAYTON RIGGIN ANTHONY E, WARD

CRISFIELD, MARYLAND 21817

September 3, 1970

Mr. Vladimir Wahbe Maryland Dept. of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

In reference to your letter of August 26, 1970, regarding the proposed Annemessix Maritime Industrial Park.

We wish to state, we are wholeheartedly in support of such a project. It has been previously brought out that such a project would substantially help, not only the City of Crisfield, but Somerset County as well.

Being one of the two poorest counties in the State of Maryland, we feel that this will be a great boost in the economy of our entire area.

In regard as to the availability of municipal services are concerned, there may be some service in man-power, together with the County. In all probability the County will come into the picture to a larger extent. As far as Sewer and Water committments are concerned, the County will have to come into that; as our City Sewer and Water lines are not in the proximity to be extended to the site of the project.

The site of the proposed industrial complex encompasses the Crisfield Somerset County Municipal Airport and must be given approval of the State and Federal Aviation Commission where any construction is made within a certain number of Feet of the run-ways, this should not create any problem.

The City of Crisfield feels that the proposed Annemessix Maritime Industrial Park will be a great help toward the economy of the entire area of Crisfield and will boost the economy of the County of Somerset even greater, as County Taxes will be involved at that point, but no City Taxes may be involved because of the fact that the area in question is out of the City limits of Crisfield.

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John S. Catlin, Mayor City of Crisfield

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STATE OF MARYLAND

DEPARTMENT OF NATURAL RESOURCES STATE OFFICE BUILDING ANNAPOLIS 21401

September 2, 1970

JAMES B. COULTER DEPUTY SECRETARY

Mr. Vladimir Wahbe, Secretary Department of State Planning 301 W. Preston Street Baltimore, Maryland 21201

Dear Secretary Wahbe:

Because the Annemessex Canal proposal is liable to generate considerable controversy and because the site is so close to the Secretary's hometown, Secretary Tawes has directed that I be responsible for all departmental interests in the matter. Therefore, your letter of August 25, 1970 was referred to me.

The staff of the Department of Natural Resources has been aware of the Annemessex proposal for some time. A representative of this department participated in a meeting with other State agencies held June 12, 1970 in the Maryland Port Authority Board Room in Baltimore. At that meeting, Mr. Stanton of the Port Authority, stressed that the proposed project was a "common State cause" and called attention to the consequences of proceeding to secure options if the project is to be strongly opposed by conservation or other issues.

Following the meeting, I wrote to Mr. Stanton and explained that the Department of Natural Resources could not give assurance that it would accept a plan for an industrial development until all of the details of the plan were disclosed and fully understood. Only then could the possible impacts of the proposed activities on the natural resources of the State be evaluated. I assured Mr. Stanton that the Department of Natural Resources, in a constructive and cooperative spirit, would work with other State agencies to advise on environmental control regulations and to develop the information that would be needed for decisions that the various member agencies as well as the Secretary will have to make if the proposal moves forward.

Some time last winter, Mr. Pate, Director of the Department of Economic Development approached me on the possibility of the Department of Natural Resources jointly sponsoring an environmental study in the Annemessex area. I told Mr. Pate that I did not think that a joint investigation would be advisable. However, the Department of Natural Resources would urge that an environmental study be made by the sponsors of the proposal and furthermore, that the department would be pleased to provide consultation on the technical aspects of any such study as it related to the environment. I told him that as soon as the findings of an environmental study were available, we would appreciate the opportunity to review them from the standpoint of natural



resources interest. I reaffirmed those statements in my letter to Mr. Stanton.

With specific reference to the requests and questions raised in your letter of August 25, 1970, first let me point out that it will be impossible for this department to study the potential impact of the proposed facility and forward the results to you by September 21, 1970. After the June 12th meeting, when it became apparent that the Annemessex proposal was a live issue, the Department of Natural Resources initiated a program to determine the present uses of natural resources in the vicinity of the proposed site. A project coordinator was appointed to assemble information, including the physical characteristics of water circulation patterns, a survey of wetlands that might be involved, and the present quality of water in the area. We also decided to give priority to the promulgation of rules and regulations governing wetlands in Somerset County so that any requirements imposed on the project would be known to the other state agencies as early in the project evaluation phase as possible.

One reason for initiating these activities was to place the department in a position that it could give intelligent advice on the type of environmental studies that would be needed and to be in a position to evaluate the results of engineering and environmental studies that might be made. You asked for our opinion as to whether a detailed economic feasibility study should be conducted "at the same time". The time reference is not clear, but it does seem clear to me that an in-depth feasibility study is a necessary prerequisite for any informed opinion of this proposed project. Until such a study is made, I believe that it would be premature and inadvisable to make any comments regarding the potential impact on the items enumerated in your letter of August 25th.

In complying with Mr. Rovner's request for the review, comments, and recommendations of the Department of State Planning, I hope you will be able to comment on the relationship of the proposed Annemessex maritime industrial park to the overall State development plan of your department. The information would be helpful to us in evaluating the significance of possible environmental effects.

One further note - to insure close coordination and direction of environmental activities with respect to the Annemessex proposal, I have named John Capper as the special project coordinator. It would be appreciated if communications from the Department of Planning to the member agencies of the Department of Natural Resources be routed through Mr. Capper or myself.

Sincerely yours,

James B. Coulter Deputy Secretary

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RVIN MANDEL GOVERNOR

DEPARTMENT OF NATURAL RESOURCES STATE OFFICE BUILDING ANNAPOLIS 21401

CUIG REVIEWED GBACY"CEA SECRETARY

> JAMES B. COULTER DEPUTY SECRETARY

October 5, 1970

Mr. Vladimir Wahbe, Secretary Department of State Planning 301 W. Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

This is in response to your letter of September 24, 1970. Mr. John Capper has been assigned to assemble information describing the status of present uses of natural resources in the Annemessex area near Crisfield. The information is, of course, availabe to you at any time. However, to avoid any misunderstanding, let me state in the clearest terms possible that I do not want the information used to evaluate the vague, ill-defined proposition whichhas come to be known as the Annemessex Canal Industrial Park proposal. It is inadvisable and premature to comment regarding the impact on the environment of a proposition as loosely defined as the Annemessex concept is at this time.

The EBS report gives no specific details regarding the industrial complex which might be located at the site. Not only is precise information lacking on the industries which might locate on the proposed site, but engineering plans for preparing the site, dredging the channel, alignment of the channel, volume of spoil and probable disposition, bulkheading details and myriad other facets of the concept have not been proposed. I do not agree that the EBS impact study defines the scope of the proposal to permit at least tentative determination of the influence of the proposal on the State's natural resources as you contend in your letter of September 24th. To the contrary, the EBS study makes it very clear that details necessary to evaluate the impact on natural resources are not available at this time.

In response to your question, "Is it proper to conclude from your letter that should the decision be made to progress with the detailed economic and engineering feasibility study and the 'environmental' impact study that State funds should not be expended for acquisition of property or securing of options until these studies are completed", it would not be proper. I certainly have drawn no conclusion with respect to the matter nor did my letter deal with the subject other than to state the obvious that if serious consideration is to be given to an industrial complex at Annemessex with attendant deep water port facilities, a detailed engineering-environmental study should be made. I have been told that if the Port Authority or some other responsible public agency takes an option on a significant fraction of the land involved, federal funds are available to support such studies. I presume that if the options are not taken, the detailed studies would have to be made without Federal assistance.



The question now seems rather elemental from an economic standpoint and from the standpoint of custodianship of "state funds". If the options cost less than the amount of support anticipated from the federal government if the options are taken, then the State would benefit by taking the options as required by the federal agency as a condition for their participation. On the other hand, if the options cost more than the federal contribution, then it would seem wise to proceed without federal assistance.

At any rate, my principal concern is not who pays for the studies but that sufficient studies are made to define the salient features in sufficient detail to consitute a proposal. Then and only then should an environmental evaluation be made. Lacking the specifics, the Department of Natural Resources could not add to the general hypothetical appraisal already set forth (and already widely quoted) in the EBS report.

Article 88c charges the Department of State Planning with responsibilities for preparing a State development plan. The plan should embody policy recommendations and deal with such things as land use and major routes and terminals of transit transportation and community facilities. If a port development and industrial complex for the Annemessex area is not contemplated in the State development plan and if the land in the area is to be reserved for wildlife habitats and recreation, then I believe those facts should be made known to the other State agencies. On the other hand, if within the framework of the State development plan, the Annemessex Industrial Park concept is permissible, then I urge that we move forward with the necessary economic engineering and environmental studies without further delay. If federal funds are to be sought and options are conditioned to obtaining those funds, the only course of action open to us is to obtain the options whether we agree with the federal requirement or not. Of course, if the option condition is too onerous for the State to accept, we could proceed with the studies without asking for federal assistance. In any event, if the Annemessex Industrial complex is a legitimate concept, let's stop agonizing and move on with the feasibility studies so that we can evaluate facts and not conjectures.

John Capper is also in charge of the development of wetlands regulations. Work has started and priority is being given to three counties, one of which is Somerset. An initial budget item is on the agenda for the Board of Public Works at its next meeting. I have asked John to send you a copy of the study plan, tentative rules and regulations along with a brief progress report.

Sincerely yours,

James B. Coulter
Deputy Secretary mind

JBC:mmd

CHESAPEAKE ENVIRONMENTAL PROTECTION ASSOCIATION, INC. 1 11 1970

Box 1783

Annapolis; Md. 21404

BRY E. MAY

PRESIDENT

LITER R. HARDISTY

IN M. COURT

September 9, 1970

Mr. Vladimir Wahbe Secretary of State Planning State House Annapolis, Maryland 21404

Dear Mr. Wahbe:

Our organization has had brought to its attention recently the controversy of the 2000 acre industrial complex projected for the vicinity of Crisfield in Somerset County. We note that there seems to be an attitude on the part of the proponents of this installation that "undue publicity right now could ruin the project." It is the feeling of our Board of Trustees that the worst thing from the standpoint of conservation is the plague of secrecy and the attempt of "forward thinking people" to present to the public a fait accompli.

We recognize that there is much to be said for and much to be said against the proposed industrial complex but we earnestly implore you to try to keep the information available to the public in advance of the event so that intelligent opinion and decisions can be made and not a series of inside deals. Currently everyone on the Bay has a serious interest in such things as a major oil refinery with the attendant possible oil spills, air pollution, channel dredging etc.,

Accordingly we shall appreciate being put on your mailing list to be notified of developments occurring in this connection.

Singerely

John M. Court Secretary

JMC:mc





UNIVERSITY OF MARYLAND

NATURAL RESOURCES INSTITUTE

CHESAPEAKE BIOLOGICAL LABORATORY BOX 38 SOLOMONS, MARYLAND 20688

October 1, 1970 RECEIVED

OCT 5 1970

REVIEWED | AND VERED

Mr. Vladimir Wahbe Secretary of State Planning 301 West Preston Street Baltimore, Maryland 21201

Re: Annemessex Maritime Industrial Park

Dear Mr. Wahbe:

Your inquiry about comments on the Industrial Park and the specific questions which you pose were considered by an informal committee of my staff members. As you know, very limited information was provided on the specific nature of the industrial activity or on the engineering changes which might be required.

The committee members visited the area and have prepared informal notes and comments which might be of some assistance to you and others in attempting to assure optimal development and protection of this region of Maryland.

I found these comments to be stimulating and to suggest some of the more specific information which would be necessary in a complete evaluation of environmental impacts. We offer them to you for that kind of value, not as formal, professional response to specific plans and details.

Personally, I find it difficult and disturbing to contemplate the addition of the kinds of industrial activity which have been suggested to this region. The several kinds of specific industries suggested are all relatively notorious as environmental disturbances and each has the potential of extensive damage if operations are not tightly controlled or, in some cases, if accidents occur. I note that the entire summary comment by the consulting management group is based on the strong assumption that all pollution problems would be effectively controlled. It has rarely been possible to achieve that degree of preventive operation and it would certainly be of unusual importance to do so in this Crisfield region.



Please let me know if any additional comments would be of value to you.

L. Eugene Cronin
Research Professor

& Director

mgm Enclosure

Report of Committee on Annemessex Industrial Park -

- R. Ulanowicz, E. Dunnington, C. Keefe
- I. We are certain that more specific information on this development could be had. The need for environmental protection, and the responsibility of public agencies to protect natural resources is greater than the necessity for maintaining the secrecy of business plans. On the one hand, we have the rights of all the citizens on the other, the privileges of a few exploiters. More detailed comment on the probable effects of various effluents would require specific information on processes and quantities of materials.
- II. Answers to "Technical" Questions:
 - A. Dredging & Spoil Disposal.
 - Channel should follow Little Annemessex-Back Creek channel to a turning basin in what is presently This would be easier to maintain than Ward Creek. a route around Janes Island to the Big Annemessex River to the northern part of the site. southern route would be easier to dredge and maintain since it follows natural water channels. This area is already ecologically damaged by the Crisfield In this route, Ward Creek is the only pristine area that would be damaged. With the northern route, the undamaged areas of Big Annemessex R., Flatcap Pt., as well as Ward Creek, would be damaged. The Little Annemessex route would bring an improved channel directly to Crisfield Harbor. Since the Corps of Engineers would build it, let's put it where it would benefit Crisfield and the Industrial Park, not just the Industrial Park.
 - 2. Spoil Disposal.
 - a. Not over the marsh!
 - b. From the mouth of Little Annemessex to deep water, pump to Tangier Sound Channel. No damage to fauna and flora is expected in this area of rapid dispersal.
 - c. From the mouth of Little Annemessex to the turning basin, dispose on fast land of the development site. Most spoil from this area is sand and will be of use to raise the general ground level on the site.



B. Siltation.

- 2. The freshwater drainage basins are small and the land is low, so there is little erosion from freshwater run-off now. There is, therefore, little silt from the land. The silt now in the water is just being redistributed, so there is little chance of a change in the siltation pattern.
- 3. Breakdown of the barrier dunes along Tangier Sound from wakes of large ships would erode marshlands quickly. This would be particularly true on points and headlands where there are no shallows to dampen the waves.

C. Hydrologic Changes.

- 1. The deep channel and turning basin would have a pool of O deficient water during summer stratification periods, but this would have no significant biological effect unless it moved into shallow areas.
- 2. A turning basin in Ward Creek would not have any freshwater source since the marsh has none (except rain). The basin would, therefore, become a heat sink, salt sink, pollution reservoir, and low dissolved oxygen area.
- 3. In this area in general, tributaries are mostly embayments of adjacent large bodies of water rather than streams with large fresh water sources, so the salinity gradients are low. There will be no significant change in salinity because of this.
- 4. Due to the small watersheds, tidal action is the only source of flushing (i.e., no run-off to get rid of "stuff"). There's a large volume of water in the turning basin and it will take a long time to purge. The volume of water is, therefore, a large capacitance element in the system. There is sufficient longitude involved to have a difference in tide phase between the Big and Little Annemessex Rivers. This could mean that water will always be flowing in one direction in the canal. There might be no sloshing back and forth, just a constant ebb, but with different velocities during a tidal cycle.



- D. Shipping, bilge-pumping and oil pollution.
 - 1. Shipping.
 - a. Oil, etc., from bilges.) There is no effective control y of this inherent pollution capac
 - o. Sanitary waste:) ty of large shipping.
 - 2. Oil shipment pollution spills.
 - a. Heavy portion coats or smothers flora and fauna.
 - b. Light portion somewhat water soluble so it can get in the food chain.
 - 3. Since flushing is by tidal action only, these pollutants can build up in the water or by their additive effects in the food chain.
- E. General Effluent Pollution.
 - 1. Air pollution There would be air pollution from these operations, unless there is a degree of control that has not generally been applied. All but CO₂ must be removed to prevent damage to the flora. SO₂, H₂S and fly ash are all harmful to flora (and fauna). Don't forget that the Tennessee Barrens resulted from copper smelting.
 - Water pollution the danger is self-evident from the list of proposed industries. Most are extremely "bad actors" that have caused pollution problems elsewhere. Satisfactory methods of preventing pollution by them have not been generally applied. Total recycling of water with full tertiary treatment is imperative. Heavy metal pollution can come from the metal-works, but remember that the first identified case of mercury poisoning as a result of food chain concentrating was from the effluent of a Japanese vinyl plant.
 - 3. Thermal pollution Aluminum production and copper smelting need lots of electricity. Sea routes and rail routes will be available for bringing fuel to a power plant. There would undoubtedly be one built nearby. Thermal pollution has an additive effect on water pollution!
- F. Marsh developmental pressures from the presence of man can ruin them quickly. Their productivity would be cut drastically by dredging, filling and occupation. An effort to maintain the state park and refuge will help. That's the least damaging way that man can occupy it. Oil and air pollution are probably the greatest threat to the marshlands, if they are not dredged and filled. (See Sec. A for how we'd dispose of the spoil.)
- G. Waterfowl. Noise and high activity would discourage them, to say nothing of the damage to them from changes in the food chain, toxic effluents and their habitat flora.

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H. Crabs.

- Floating and shedding enterprise in Crisfield harbor would absolutely have to cease. The present location of the industry there, with the domestic waste, is far from ideal, anyway.
- 2. Nickel, copper and halogenated hydrocarbons are toxic to crabs.
- 3. Low dissolved O and high temperatures don't mix well with crabs. Any quick release of low DO water from the turning basin would result in a crab kill or war.





SEP 2 1 1970

COMMISSION MEMBERS

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CHAIRMAN OF COMMISSION
AND DIRECTOR OF MIGHWAYS
ALTER BOGLEY, JR.
A.EY P. BRINSFIELD
TER BUCHER
SIE H. EVAHS
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STATE OF MARYLAND STATE ROADS COMMISSION 300 WEST PRESTON STREET

BALTIMORE, MD. 21201

(MAILING ADDRESS-P.O. BOX 717, BALTIMORE, MD. 21208)

WALTER E. WOODORD, JA.
CHIEF ENGINEES
A. W. SMITH
SECRETARY
OMAN J. ROWAN
COMPTROLLER
JOBEPH D. BUSCHER
SPEC. AGGT, ATTY, QEN

September 21, 1970

Re: Annemessex Maritime Industrial Park Crisfield, Maryland

Honorable Vladimir A. Wahbe Secretary of State Planning Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

In response to your letter of August 25, 1970, there is submitted herewith comments as to the possible effect of subject proposed Industrial Park on highways in the Crisfield Area.

Primary highway access to the proposed Annemessex Maritime Industrial Park in Crisfield would be via Md. Route 413 extending from U. S. Route 13 to Crisfield. This highway is presently a two lane road with an average daily traffic count in 1969 of 3069. In the Commission's current Twenty Year Highway Needs Study, no improvement is proposed. Its current adequacy rating is 90 on a scale of 100.

To handle existing traffic, plus the traffic generated by the proposed Industrial Park and the traffic induced by satellite activities, Md. Route 413 would have to be dualized by the scheduled completion of the Industrial Park. In accomplishing this dualization, consideration should be given to keeping access points to a very minimum. The cost of dualizing Md. Route 413 from Route 13 to Crisfield, a distance of approximately 12 miles, is estimated at approximately \$6.0 million.

The nature of rail service into the Industrial Park is not known. If this service must be extended across Md. Route 413, consideration should be given to the need for a grade separation in the interest of safety and elimination of traffic delays.

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Honorable Vladimir A. Wahbe Page 2

September 21, 1970

There is a strong possibility that Md. Route 667 extending from Md. Route 413 at Marion to U. S. Route 13 north of Pocomoke may have to be improved with residents of the Pocomoke City area finding employment at the Industrial Park. The length of this highway is approximately 11 miles. The cost of improvement as a two lane road is estimated at \$200,000 per mile. No funds are included in the current Five Year Construction Program. Improvement from Hudson's Corner to U. S. Route 13 is recommended as part of the Current Twenty Year Highway Needs Study.

The location of access points from the Industrial Park to Md. Route 413 and the requirements for channelization and traffic control devices should be reviewed with the State Roads Commission in the early planning phases, should there be a determination to proceed with this development.

Very truly yours,

David H. Fisher Chairman-Director

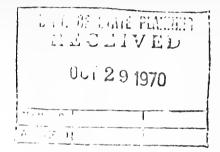
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(LAND ERVATION ICIL,

October 27, 1970



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It. Gerber, President
Healy, Vice-President
M. Nied, Treasurer
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It. Gilford
Orrell
Pfeiffer
Donough Plant
(Milanoski
Somon Rogers

Waldenberger, Jr.

Mr. Vladimir A. Wahbe, Secretary Department of State Planning 301 W. Preston Street Baltimore, Maryland 21201

Dear Mr. Wahhe:

I am in receipt of your letter of October 6th and wish to thank you for same.

Unfortunately, I did not receive your letter of August 26th, which is probably due to the fact that it was sent to our post office box and we have had several people picking up the mail. Apparently, somewhere along the line, your letter was lost in the shuffle.

Please accept my apologies for this inefficiency, as we most certainly do appreciate your offer to become interested and involved in the Annemessex Maritime Industrial Park Proposal.

We have begun to look into this problem on our own prior to the receipt of your letter, and have been working with three groups who have shown a concern for this problem. They are the Chesapeake Bay Foundation under Mr. Jesse Malcom, the Potomac Basin Center under Bob Dennis, and the Maryland Wetlands Committee under Ruth Mathas and Armin Behr. It is our hope and belief that these groups, along with the Maryland Conservation Council, will try to make an intelligent evaluation of the project and present a united position.

Accordingly, any information regarding the project which you could afford to us, I will forward to the member organizations of the Maryland Conservation Council and the above-mentioned groups.

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Once again, please accept my apologies for having been so remiss, and accept my assurances that it was not due to a lack of interest.

Sincerely,

Floyd M. GERBER

President

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December 7, 1970

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NCIL,

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1. Gerber, President Healy, Vice-President M. Nied, Treasurer Keffer Hartline, Secretary G. Ances

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Mr. Vladimir A. Wahbe Secretary of State Planning Donough Plant Maryland Department of State Planning 301 W. Preston Street Baltimore, Maryland 21201 . Waldenberger, Jr.

Dear Secretary Wahbe:

I am writing this letter in response to your request for the comments of the Maryland Conservation Council regarding the proposed Annenessex Industrial Park. I regret that we have taken so long in answering this letter. However, the Maryland Conservation Council is composed of some thirty conservation organizations and some fifteen thousand members. It is most difficult to obtain a concensus of such a group in as short a period of time as we would like.

We have sifted through the material which you were kind enough to send to us as well as other material which we have gathered together on this subject.

We certainly do not wish to pass ourselves off as economic experts. However, certain basic economic facts seem to leap to the fore.

As we understand it, the project is to cost in the neighborhood of one hundred and ten million dollars. Like all such figures, this is probably on the low side. And the project will presumably create an additional three thousand jobs in the Crisfield area. A simple piece of arithmetic indicates that these jobs will be created at a cost of \$40,000 per job.

Additionally, assuming that the money can be borrowed at a five percent rate of interes t which, on this market, is not a very realistic assumption, the annual carrying cost of the project for interest alone will be five and a half million dollars. It would seem that with this initial expenditure and continuing carrying cost, we ought to be able to purchase more than three thousand questionable jobs.



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Page Two

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I say "questionable" because there is a serious question as to whether or not there is presently available in the Crisfield area the types of skills that will be required in order to man the proposed industries. If, in fact, these skills do not exist within the present available work force, (which is most likely), then it will be necessary M. Gerber, President import the skilled work force from other areas leaving the problem M. Nied, Treasurof unemployment in Crisfield amongst the native workers practically Keffer Hartline, Liffehanged.

G. Ances H. Gilford Orrell d Pfeiffer Donough Plant ıy Milanoski lomon Rogers incett

rs & Directors

If anything, they are now in worse shape because the higher wages of skilled workers will bring with it a certain amount of inflation while, at the same time, the drastic ecological changes which must result from the dredging of the deep water channel on the turn around basin will . Waldenberger, linquestionably cause changes in the ecology of the area, such as the destruction of oyster beds and clamming beds, all of which will result in a reduced income for the native Crisfield work force. The most difficult thing about attempting to comment on this proposed wan is the Pact that where leadly as no plan we comment upon. There is rather a series of very oroad generalities, and so the most that we can hope to do is to counter with similarly broad generalities.

> It is certain that the dredging of a deep water channel and a turn around basin will create ecological havoc in the area. How much havoc depends upon the specific plans. But, in general, there is no question that valuable oyster beds and clamming beds will be destroyed in the process. In addition, there is the very serious question as to what will be done with the dredged material when it has been removed from the Hay. This problem of what to do with dredges material has plagued the Corps of Engineers for many years, and we only have to look at the destruction of Snake Reef in the upper Bay to get some concept of the tremendous ecological damage which can be done by the dumping of this material.

There is certainly no reason for us to draw a picture of potential hazard from the dumping of the industrial waste, particularly when one is speaking of the plastic industry which is notorious for creating nonbiodegradable waste materials. The petro-chemical and smelting industries are at the top of the list of worse air polluters and so on down the line. It is questionable whether or not we are actually possessed of the necessary technology to cope with these industrial waste problems: but more importantly, even if we are possessed of the technology, is there any indication that industry will spend the necessary money to build in safeguards? Bas el upon our experiences in the past, they have not and apparently will not. Industry makes the argument that the cost of such devices is so prohibitive as to make them noncompetitive. This may very well be true. However, if it is true, then if we insist upon their providing adequate pollution control devices, they will not move into the

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Page Three

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area----development costs will be lost or we will be forced to abandon our insistence upon pollution control and accept all of the consequences therefrom. The one thing seems obvious we must guard against is that of allowing ourselves to be put in a position where we invest large sums ofmoney into the project only to later "discover" that we must make huge t. Gerber, Presidedological compromises in order that the project be successful and that it M. Nied, Treasuras too late to turn back because of the large expenditures of money.

Keffer Hartline, Secretary G. Ances 1 Gilford Orrell Pfeiffer v Milanoski lomon Rogers ncett

s & Directors

While we are most appreciative of this opportunity of expressing our viewpoint, we are thoroughly aware of our limitations and for that Donough Plant matter the limitations of any citizen conservation group. The Chesapeake Bay is Maryland's most valuable resource, and it is certainly worthy of all of the professionalism which you can bring to bear. We certainly hope . Waldenberger, that i is your intention to require the same professionalism in dealing with the ecological and environmental problem as was brought to bear on the economic problems. There should be at the very least an ecological equivalent -- in short, of EBS, Inc.

> The only hope for the intelligent use of the Bay is to have an over-all master plan. The multiple use of the Bay for industrial expansion, recreational purposes, fishing, industry, etc., i s possible. But it is only possible if it is intelligently planned.

As a planner, you are, I am sure, well aware of the catastrophic results of "spot zoning" in any given community. Certainly there is no reason to believe that the net result would be any different in the development of the Chesapeake Bay. We cannot and should not continue to develop the Bay by placing a nuclear power plant here and an industrial park there and deepen a canal somewhere else and hope or expect that the Chesapeake Bay will not be seriously harmed.

As you are well aware, noney has been appropriated for the completion of the hydrographic model of the Chesapeake Bay, and we strongly recommend and sincerely hope that your office will take the attitude that there will be no further major development of the Chesapeake Bay until the hydrographic model is completed and we can at least have some hope of accurately predicting the effect of various projected uses on the total ecology of the Bay.

If at any time we can be of additional or continuing assistance to you, please do not hesitate to call upon us. Again, thank you for this opportunity to express our views.

President

Sincerely yours

G-13-3

LMG:sl



110V 9 1970

November 6, 1970

SC ACACO

Honorable Marvin Mandel Governor of Maryland State House Annapolis, Maryland

Dear Governor Mandel.

The Delmarva Industrial Development Association is an organization of professional economic developers located on the Delmarva Peninsula. The purpose of Delmarva Industrial Development Association, as stated in our Constitution and Rylaws, "shall be to promote and protect the industrial development and economy of the region known as the Delmarva Peninsula".

"Protecting and promoting the industrial development and economy" of the Delmarva Peninsula includes the protection of our natural assets and the preservation of our environment. As citizens living on the Peninsula, we do appreciate the relative abundance of clean air, clean water, and varied recreation available. However, as professional economic developers we can recognize that recreation and tourism exist side by side when industry cooperates to protect the environment.

The Delmarva Industrial Development Association is aware of the controversy over the proposed Annewessem Canal Industrial Complex near Crisfield, Maryland. Also, we understand that pressures have been exerted on your office and other State agencies to halt any further activity regarding this project.

The controversy ever this project stand from a study done by INS Management Concultants, Iro. for the Dela-Tva Advisory Council in 1968. The study, although favoring the development for economic reasons, raised several questions regarding engineering feasibility and the impact of this development on the environment.

The Delmarva Industrial Development Association is not in a position at this time to endorse the Annamesson Canal Industrial Complex. Neither do we think the project should be rejected at this point in time. We feel that a logical decision can only be reached after the in-depth engineering, environmental, and other studies are completed.

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In conclusion, the Delmarva industrial Development Association knews that Somerset County is one of the most economically underdeveloped Counties in Maryland and is in need of an economic boost. What is not fully known is whether the proposed Annewessex Canal Industrial Complex near Cristield, Maryland is the answer. Only further detailed study can furnish this answer. Therefore as citizens, as well as professional economic developers, of the Delmarva Peninsula, we strongly urge that the proposed in-depth studies be approved and started expeditiously.

As President, I extend the sincers appreciation of our entire organization for your consideration of our position in this matter.

Yours very touly,

M. E Hally

resident

1 "He hav

cc: Vladimir A. Wahbe, Secretary Maryland Department of "tate Planning State Office Building 301 West Preston Street Baltimore, Maryland 21301

> Avery W. Hall, Chairman Maryland Port Authority c/o Avery W. Hall Insurance Agency P. O. Box 2317 Salisbury, Maryland

Joseph L. Stanton, Executive Director Maryland Port Authority Piar 2 Pratt Street Baltimore, Maryland 21202

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DELMARYA INDUSTRIAL DEVELOPMENT ASSOCIATION, INC.



c/o Salisbury Area Chamber of Commerce P. O. Box 510 Salisbury, Maryland 21801

The Honorable Vladimir A. Wohbe, Secretary Maryland Department of State Planning State Office Building 301 West Preston Street Baltimore, Maryland

Dear Secretary Wahbe:

On November 6, 1970 I mailed you a copy of a letter addressed to Governor Mandel which stated the Delmarva Industrial Development Association's (DIDA) position regarding the proposed Annemessex Industrial Park near Crisfield, Maryland.

Since that time an official position paper on this subject has been developed for DIDA and adopted by the membership. A copy of our position paper is enclosed.

We of DIDA, as tax paying <u>residents</u> of the Delmarva Peninsula, sincerely request that you give thoughtful consideration to our position. We, more than non-residents of the peninsula, are acutely aware of and deeply appreciate our natural assets of clean air, clean water, and abundant recreation. Yet, as professional economic developers we can not support or condemn the Annemessex Canal Industrial Park until all the facts are in.

We therefore urge that your office enthusiastically approve the necessary in-depth engineering, economic, and if necessary, conservation studies so that a sound decision can be made based on the facts.

Thank you for your attention to this letter and consideration of the attached report.

Yours very truly,

Maynard Hall, Jr.

President

7-11 1971

enclosure

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THE ANNEMESSEX SITUATION - AN OVERVIEW

BACKGROUND AND CURRENT STATUS

In reacting to the Annemessex situation it is essential to develop a fair perspective based on an accurate understanding of what is <u>now</u> involved. First, it must be recognized that there is not yet an "Annemessex Project" as such. At this point, there is nothing more than a possibility that it may prove feasible - economically and engineering-wise - to locate certain types of heavy industry at a site near Crisfield Maryland on the Annemessex Canal.

Consideration of a location in the vicinity of Crisfield was instigated by inquiry from responsible industrial sources as to a development site offering a substantial fastland acreage with deep water port access. Analysis of site potentials with such prerequisites revealed that the prospects were very limited and that the Crisfield area was singularly responsive. State and local authorities, after preliminary discussion, decided that an Annemessex site deserved further consideration. To provide a basis therefor it was arranged, through the Delmarva Advisory Council, to obtain an "Impact Study" from an objective point of view.

The Impact Study, performed by a reputable consulting firm, set out, among other things, to assemble the possible economic advantages and identify the nature, scope and seriousness of potential environmental disbenefits. This Study necessarily depended upon assumptions as to the full sweep of industrial development in contemplation. The consultants, for example, were not made aware (for obviously justifiable reasons) of the identity of prospective investor-developers or even of the precise nature of industrial processes in prospect. Instead the consultants were encouraged to utilize selected industrial classes in specified categories of the Standard Industrial Classification Code.

In brief, the Impact Study relied on the assumption that the possible industrial installation would be predominantly a petrochemical operation with metal process fabrication as a related operation of smaller magnitude. Projections of plant investment, employment, operational characteristics, etc. were keyed to that basic assumption. In essence, the Impact Study provided a professional overview of what would characteristically occur in an industrial development of certain types utilizing a largo-dimension land area and deep water transportation.

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It is important to emphasize that the Impact Study in no way constituted a finding of economic and engineering feasibility. Such a finding must evolve from much more specific information as to the industrial systems, plant design and other key factors. What the Impact Study has done is to set forth dramatic economic consequences of an industrial complex of selected types at the proposed site.

An economic feasibility study utilizing detailed engineering and other analyses is a necessity before private investment stability and incentive on the one hand or public cost-benefit ratios on the other are determined. No less necessary is engineering feasibility looking not only to systems and plant design but also to water and energy supplies, water transportation, and other essential facilities. Especially pertinent in the Annemessex situation is the element of possible environmental or ecological damage. The engineering feasibility would depend in part upon the practicable application and design incorporation of new technologies whereby environmental risk may be eliminated or minimized.

In summary, all that can be said of Annemessex at this time is that a potentially usable site has been identified and that, as theoretically evaluated, certain types of industrial activities, if located there would convey substantial economic benefits and some disbenefits. No competent judgments, pro or con, can be reached from these preliminaries. Central to such judgments are detailed economic and engineering findings of feasibility. Until these studies are available there is no Annemessex Project; there is only a preliminary concept.

IMPACT STUDY FINDINGS

The assumptions upon which the Impact Study had to rely have already been mentioned. It should be noted, however, that State officials with more information as to the private investment interests, have found the study to be properly oriented. The Study dealt with two principal analyses:

Economic Benefits
Environmental Disbenefits

The analytical results are hereafter treated in those two categories.

Economic Benefits

The study estimated a minimal private investment of \$110,000,000 in industrial facilities. When operations are built up to peak, plant employment

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is projected at about 2,000 jobs with an annual payroll of \$18,772,000. Primary tax benefits to State and County annually are projected at \$829,000 and \$2,000,000 plus, respectively.

The collateral effects of this type of sustained industrial activity is even more impressive. Somerset and adjacent counties would benefit by a population increase of nearly 6,000. Retail sales would increase in the range of \$14-15 million; bank deposits should be augmented by \$10,000,000. Nonplant employment in service, supply, construction and other activities generated by the industrial installation is estimated to involve more than 1,000 additional new jobs. In combination, the jobs in the complex operation and the other jobs stimulated would exceed a total of 3000. This figure may be translated into a personal income aggregate in excess of \$31,000,000.

On the same overall basis, the Study projects a revenue increase of some \$3.3 million in the impact area of which \$2.7 million is identified with Somerset County. Additional funds distributed to the local governments by the State of Maryland are estimated at \$1.9 million. Net additional (selected) funds for retention by the State Treasury will exceed \$1.6 million. These are annual increments.

The Study fairly assesses the cost impact of the hypothetical industrial growth on the affected counties. Expanded public facilities are acknowledged to be indispensable. In the aggregate additional local expenditures are projected at \$1.14 million. The net fund benefit across-the-board remains impressive after such allowance.

For a compact picture of impact of primary factors in the four-County area there is adapted as Exhibit A hereof a summary analysis set forth in the text of the Impact Study Report.

The benefits selected for emphasis herein are nothing short of dramatic. They foretell an unprecedented economic growth and stability which would beneficially alter every aspect of socio-economic conditions in Somerset County while extending measurable advantage to adjacent counties, the Delmarva region, and the State.

Impressive though these benefits appear, however, they are actually quite conservative. No effort is made, for example, to measure the growth of other industry which the presence of the complex would stimulate. Empirically, major industrial installations of almost any type are known to engender growth around them. Sub-contractor types, firms with complementary or related lines,

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research activities and others are attracted to an area by virtue of the fact that the major industry is there. Precise measurement of this potential is impossible but to some degree it would be realized.

Environmental Disbenefits

While the Impact Study did not attempt to assign monetary values to the many potential risks to the environment, it quite candidly delineated multiple types and scope of such risks. In summary, the Study recites the possibility of:

- Damage from dredging to local water supply (by saline intrusion); damage from deposit of dredged material;
 - 2. Various adverse potentials directly traceable to plant operations:
 - (a) Drain on aquifers adversely affecting ground water supply;
 - (b) Thermal pollution;
 - (c) Air pollution;
 - (d) Water pollution in terms of various types and causes; e.g. plant effluent, shipping operations;
 - (e) Damage to marino biology;
 - (f) Noise factors.
- 3. Minor preemption of wetlands and possible ecological disruption of a wetlands area of some 3,000 acres with possible secondary disturbance of an additional 7500 acres.
- 4. The specter of oil spill associated with patroleumoriented manufacture; collateral problems of bilge pumping, process failures, etc.
- 5. The hazard of damage by accident attaching to plant operations, increased shipping volume in Chesapeake Bay lanes, and in part operation of vessels.



6. Damage to wildlife by human intrusion and concentrated human activity as well as the pollutant dangers mentioned.

The Study also identifies certain "economic" disbenefits which, while not strictly environmental, are, in fact, related to various conservation objectives. Mentioned in this connection are: (a) adverse effect on commercial and sport fisheries; (b) diminution in recreation use value of Janes Island State Park (adjacent to development site); inhibiting effect upon tourism development.

In relating the imposing array of environmental disbenefits to the vast economic benefits, the Study took the position that virtually all of the identifiable causes of environmental damage could, and should, be controllable by regulatory authority and by adoption of tested control technology in process systems and plant design. Any acceptable in-depth economic-engineering studies should treat of each damage potential specifically and should relate it to pertinent regulatory requirements and effective technical design criteria.

It is implicit in the Study that a modicum of environmental damage will occur. No concentration of human activity in the magnitude envisioned could fail to have this effect. So-called "safe" industry - even tourism - if heavily concentrated can and does destroy the natural environment. What the Study really says, therefore, is simply that the risks peculiar to the complex (as it has been hypothetically constructed) can be minimized and in some respects eliminated by technology and regulation. No panacea for accident is offered but here again regulations and technology can have a minimizing effect.

The substantive conclusion reached in the Study may be stated as follows:

Because of the immense economic benefits conveyed by the hypothetical project and, since serious or irreparable environmental damage can be controlled and avoided, the economic advantages far outweigh the possible disbenefits, economic or ecological.

SOMERSET COUNTY AND THE ANNEMESSEX CONCEPT

Vital to a fair consideration of a large-scale industrial concept is an appreciation of the special problems of the community in the location area and

the political sub-division in which the complex would be located. To be sure, the economic benefits as brought out in the Impact Study would extend in some degree to all Delmarva. There would be lasting benefits to adjacent counties, Wicomico and Worcester, Maryland; Accomack, Virginia. The State of Maryland would be directly benefitted. It is clear, however, that the prime beneficiary would be Somerset County. Because of conditions extant in that County, the beneficial economic impact of the industrial complex would be extraordinary. A total economic and social transformation could be involved.

Somerset County is an integral part of Maryland's Eastern Shore. As such Somerset represents many of the values traditional in the region. For various reasons, however, the healthy economic development characteristic of a large part of the Eastern Shore, has not attached firmly to Somerset. Declining trends in traditional industries like Seafood and Agriculture have not been offset by other industrial opportunity. Although the problem is too complicated to be analyzed in detail, the adverse characteristic which perhaps has the most far-reaching effect is the paucity of non-seasonal job opportunity.

Somerset County is designated a "redevelopment area" by virtue of high poverty index and an average unemployment rate which hovers persistently at above 10%. The average per capita income is below \$1800 per annum - below State and National average. The current budget base for the entire county is below \$2 million. Of even more alarming import is the continuing decline in County population. In the period 1960-70, a period significant throughout the Nation for population growth and economic expansion, Somerset County suffered a population loss of nearly 7 per cent! This trend has extended over several decades. There is an undisputed correlation between population losses (particularly in the younger age groups) and absence of job opportunity. Only by economic stimulus is the job deficit overcome.

The economic danger signals triggered by the economic factors mentioned above may be readily translated into human value factors. Prolonged economic distress cannot fail to induce frustrations and hopelessness among the citizenry.

In a capitalistic system a progressive society and an expanding economy are indivorcible. It has been repeatedly demonstrated that incentive depends upon opportunity. Absent both, the people become enured to a "bare existence" routine and the total community loses confidence. The need to conserve and develop human dignity is a value factor of undivaled importance. In the Interior Conservation Yearbook "Quest for Quality" this thesis is stated in these terms:



"In the final analysis, it is man who constitutes the most important link in the chain of life. From the human standpoint, at least, it is humanity which matters most in the overall scheme of things."

The Annemessex Concept is uniquely responsive to the economic and human needs of Somerset County. It has the potentiality of complete and lasting remedy. It constructs a new plateau, a new foundation for social, economic and governmental interaction.

Through the Somerset County Area Redevelopment Corporation, a dedicated group of County leaders have undertaken to prosecute a program of selective industrial development. This program has faced severe handicaps - lack of promotional funding, general debility in county finances, limited public facilities and many other negative factors. Although a few noteworthy achievements have been recorded, the impact when equated to the total needs is scant. One further drawback is that the County lacks means of developer incentive on two major counts. First, the magnetizing influence of pre-existing successful industry is lacking. Second, the natural resources oriented to industrial development are quantitatively deficit. Somerset County has other limitations which complicate attraction of industry. Labor skills are in short supply and certain public facilities such as water and sewer are, for the most part, not sized to accommodate industry.

Perhaps the most outstanding natural resource relevant to industrial development is found in the combination of land and deep water port availability. Economic development in any area relies heavily upon productive use of natural advantages. In the economic history of the United States there has been an almost universal rule and a practical expectancy that a political sub-division can turn natural resource assets to economic advantage. That is precisely what is involved in local encouragement of the Annemessex Concept.

Concisely put the possible Annemessex complex, in the economic sense, does a total job of resolving the problems of Somerset County. In so doing, it creates a new, more wholesome citizen psychology; it substitutes hope for despair. The impact of a transition so intense and so far-reaching would generate a multitude of challenges and problems for the County government and the entire local community. It is in raising standards to meet these challenges that a by-product benefit of substantial value is realized. The shortcomings which have plagued small-scale development are swept aside by the force of an installation of the size of the Annemessex complex.



To promote the objective of balanced perspective it is desirable to speak directly to one question already raised in the context of County problems. Critical unemployment in Somerset and the related incidence of poverty center generally in the unskilled worker group. The Annemessex Concept concerns industrial operations requiring a labor force mainly composed of skilled workers. This fact gives rise to the question as to how the industrial installation would respond directly to prevailing job opportunity needs. The answer is that a relatively small number of unskilled jobs would be offered. By training programs, other selected workers could be made eligible for transfer into semi-skilled, or even skilled, categories. The total answer, however, is found not in plant employment per se but in the collateral business and public activity flowing from the industrial settlement. The job opportunities envisioned in these fields would eliminate unemployment in Somerset as it now obtains.

The Annemessex Complex as a single venture overcomes the marginal economy of Somerset in terms defying comparison with any alternative yet advanced, including the most theoretical.

THE LAND OPTION ASPECT

Because the County, with State encouragement, has espoused appraisal and option activity concerning the land area associated with the Annemessex complex, the charge has been made that such activity constitutes a precommitment to an unborn project. Stated another way, it is argued that expenditures for appraisals and/or options constitute a public investment on the affirmative side of the proposed development and that it is unrealistic to expect retreat from such concrete involvement. Viewed in this light this question could be interminably debated. All that need be said for purposes of this statement is that the motivation for action taken has not been shown to be grounded in project commitment. It represents an obvious and defensible course to preclude land speculation with consequent distortion of value and also to preserve availability of key parcels whose loss could prevent project consummation. Unless some protective movement along these lines is made, a representative finding of economic feasibility would be complicated if not fatally impaired.

OTHER BROAD ECONOMIC IMPACT

Preceding sections hereof have highlighted the primary and secondary benefits which the Annemessex Complex is estimated to convey to Somersot County, adjoining areas, and the State. While there have been general allusions to regional advantages, the Impact Study did not treat of such factors with any



degree of specificity. It is worthwhile to mention one or two of what might be termed "speculative" advantages in the regional sense.

Any industrial activity of major magnitude located on the lower Eastern Shore can reasonably be expected to create substantial new transportation business through the Delmarva Peninsula. While the land transportation needs of the "theoretical" plants have not been defined, it is not unreasonable to assume that volume motor freight and rail traffic would result. So far as rail service is concerned, it may well be that nothing less than a major demand in this southern sector of Delmarva will insure continuation of railroad operation in the region.

Similarly, heavy industry of the types considered demands high energy input. Satisfaction of additional energy demands will in itself promote economic activity of regional importance.

The whole region obviously benefits from the projected influx of population in high-wage skilled worker categories. These people represent purchasing power with significant effect. Increased population of this sort will activate expansion and progress in public and private construction and other activities with related economic returns.

THE ISSUE

The issue at this point is <u>not</u> whether there should or should not be a heavy industry complex situate in Somerset County. The real issue is whether the concept should become the victim of public condemnation <u>before</u> essential findings of fact and responsible professional judgments based thereon are available. The issue is whether a responsible position, social, economic, or <u>political can be taken until studies treating specifically of economic and engineering feasibility are completed.</u>

Until these data are available for public examination and competent adjudication of value either support or opposition must be purely theoretical, or intuitive, or both.

Inextricably intermingled with possibly conflicting conservation and development philosophies are the elemental—human needs clearly visible in the area particularly in Somerset County. This fact magnifies the stakes and sharpens the demand for thoughtful, informed reaction. Under these circumstances, economic and engineering findings are vital. The issue, then, is whether these findings will be permitted or forestabled.

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THE DIDA POSITION

That Delmarva Industrial Development Association, Inc. (DIDA) supports the proposition that:

- Additional data, available only through economic and engineering feasibility studies, are essential to sound governmental or citizen judgments on the Annemessex Concept;
- 2. The necessary studies should be authorized, funded and expedited;
- 3. If data available regarding environmental disbenedits are incomplete or unreliable, an in-depth finding on conservation risks and other conservation factors is likewise justified and should be authorized, funded and expedited.
- 4. Until these requisite data are produced no official or public judgment should be passed.

The membership of DIDA is composed of Delmarva citizens engaged in or oriented to economic development throughout the Delmarva Peninsula. As citizens residing and working in this area, the members are acutely aware of the environmental values with which Delmarva is blessed. DIDA neither supports nor condones actions which might drastically impair or destroy those values.

At the same time the membership holds to the belief that neither the Nation, as a whole, nor any regional sector can cope with the social demands of a growing and more enlightened populus without an expanding economy. Indeed, the social demands of the most extreme conservationist can only be implemented through the fruits of economic activity. Progress in any democratic form is neutralized by economic stagnation. DIDA holds, too, that economic development in a capitalistic society is the only direct answer to human wants, deprivation and degradation. Human values must be put on the scale along with economic and environmental values.

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The science of economics is both quantitative and relative. Developmental proposals are highly situational and judgments thereon must comprehend a variety of value factors meticulously balanced. Not the least of these is the factor of human needs in the community most directly affected.

Above all, DIDA feels that decisions of such sensitivity must be shaped from full findings of fact and competent, if disparite, professional expressions. It is this fundamental view which prompts the recommendation that authorities at all levels move to assemble essential data and to defer judgment pending data availability. Nor does DIDA concede that expenditure of public monies for these purposes has the practical effect of binding responsible officials to a preconceived decision in favor of development. On the contrary such expenditure purchases insurance that final decisions will be knowledgeable and in the public interest however broadly construed.

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STATE OF MARYLAND

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MARYLAND AGRICULTURAL COMMISSION

PAROLE OFFICE CENTER 2200 SOMERVILLE ROAD ANNAPOLIS, MARYLAND 21401

RONALD L. JOHNSON _ EXECUTIVE SECRETARY

PHONE 267-6385

September 14, 1970

ORGE LECHLIDER ESTOCK E CHAIRMAN

HARD M. ALLEN RTICULTURE

VARD L. BAKER, V.M.D. CERINARY

FRANK L. BENTZ, JR. VERSITY OF MARYLAND OFFICIO)

VARD H. COVELL, JR.

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RYMOND E. NICHOLAS VJETABLES

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FIL L. PHILLIPS PILTRY

JIOMER REMSBERG

JIERBERT SNYDER

EVARO L. STOCK, JR. HRSERY

D THOMAS B. SYMONS s (EX OFFICIO)

Mr. Vladimir Wahbe, Secretary Department of Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

The Agricultural Commission discussed the proposed Annemessex Canal Industrial Park at it's meeting on September 10, 1970.

Based on information available to us, (one of our members lives in the immediate area and has investigated the proposed project), we have concluded that employment in the park would be of a technical nature, employees being primarily skilled personnel, and would not draw from farm labor. The land in question is low and of poor quality and not very well suited to agricultural production.

Therefore, we feel that the proposed park will have little impact on agriculture at the present time. We would however, be concerned about potential pollution and other problems which could have a detrimental effect on agriculture in the future.

Sincerely,

Rouald

Ronald L. Johnson Executive Secretary

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WILLIAM E. JOHNSTON Chairman

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TERN MARYLAND RAILWAY NORTH CHARLES STREET TIMORE, MARYLAND 21201 - HARRISON WEYMOUTH, JR. Vice Chairman

ECONOMIC DEVELOPMENT COMMITTEE OF PRINCE GEORGE'S COUNTY HYATTSVILLE, MARYLANO 20782

JAMES A. McCOMAS, JR. Secretary-Treasurer DEPARTMENT OF ECONOMIC DEVELOPMENT STATE OFFICE BUILDING ANNAPOLIS, MARYLAND 21401

December 3, 1970

Honorable Vladimir A. Wahbe Secretary of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

I am attaching a copy of my letter of December 3rd to Governor Mandel with regard to the proposed Annemessex Canal Industrial project near Crisfield, Maryland.

I understand that this project has been sent by the Governor's office to your Department for evaluation.

The Maryland Industrial Development Association sincerely trusts that this project will receive the benefit of a detailed study.

Yours very truly,

W. E. Johnston

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Maryland Industrial Development Association

WILLIAM E. JOHNSTON Chairman

STERN MARYLANO RAILWAY I NORTH CHARLES STREET LTIMORE, MARYLANO 21201 HARRISON WEYMOUTH, JR.

Vice Chairman

ECONOMIC DEVELOPMENT COMMITTEE

OF PRINCE GEORGE'S COUNTY

HYATTSVILLE, MARYLAND 20782

JAMES A. McCOMAS, JR.

Secretary-Treasurer

DEPARTMENT OF ECONOMIC DEVELOPMENT

STATE OFFICE BUILDING

ANNAPOLIS, MARYLANO 21401

December 3, 1970

Honorable Marvin Mandel Governor of Maryland State House Annapolis, Maryland 21401

Dear Governor Mandel:

Of vital concern to the Maryland Industrial Development Association is the economic well-being of the State of Maryland. The objectives of MIDAS are: "To participate in, sponsor, and/or assist in projects and activities which directly or indirectly show promise of increasing job opportunities or income in Maryland, publicizing the State's advantages for business and industry, or improving the business climate or economic potential of the State."

With this in mind, I brought to the attention of our Association at our November meeting the controversy over the proposed Annemessex Canal Industrial complex near Crisfield, Maryland. We are aware of the pressures being exerted by a vocal minority condemning this proposed project. These protests are not justified in our opinion due to the present absence of detailed information about the proposal. Therefore, it seems to us that a comprehensive study of the feasibility - from an environmental and engineering standpoint - is needed in order to determine and assess the benefits and disbenefits. The economic benefits to be derived for the entire Eastern Shore versus the effect on the environment of the Shore and the Bay Area are the prime considerations for an in-depth study.

The Maryland Industrial Development Association does not believe that pressures from any group or one interest should condemn a project proposal in its initial stage without benefit of a thorough, in-depth study by a qualified and objective consultant. As Chairman I have been unanimously

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Maryland Industrial Development Association

WILLIAM E. JOHNSTON Chairman

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Vice Chairman

ECONOMIC DEVELOPMENT COMMITTEE OF PRINCE GEORGE'S COUNTY HYATTSVILLE, MARYLAND 20782 JAMES A. McCOMAS, JR.

Secretary-Treasurer

OEPARTMENT OF ECONOMIC DEVELOPME

STATE OFFICE BUILDING

ANNAPOLIS, MARYLAND 21401

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Honorable Marvin Mandel

December 3, 1970

directed by our Association to respectfully request your consideration to authorizing a detailed study of this project.

Yours very truly,

W. E. Johnston

Chairman

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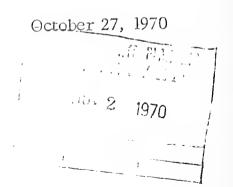


National Wildlife Federation

Sixteenth Street, N.W., Washington, D.C. 20036

Phone: 202 - 232-8004

Mr. Vladimir A. Wahbe, Secretary Maryland Department of State Planning 301 West Preston Street Baltimore, Maryland 21201



Dear Mr. Wahbe:

Paul M. Breidenbaugh, President of the Maryland Wildlife Federation, and Ruth Mathes, Chairman of the Maryland Wetlands Committee, have requested we communicate the National Wildlife Federation's general observations on the potential environmental impact of the proposed Annemessex Maritime Industrial Park.

Of course, it is impossible to make any definitive statements about the project impact without benefit of detailed data on construction and operation plans.

Because of the fragile, valuable nature of the tidewater lands proposed as the Annemessex Maritime Industrial Park, a host of environmental questions jump up immediately. Just exactly what will be the environmental impact of an industrial park during construction and operation at this tidewater site? With all the problems facing the Chesapeake Bay today, is it really in the public interest to build this kind of facility at this particular spot? Are there alternative sites that would avoid the inevitable environmental degradation that accompanies industrial development of tidewater lands?

These are complex questions that can be answered only by the most exacting environmental analysis-before any commitments are made. This analysis would include full, legitimate consideration of all alternatives including no Annemessex Marine Industrial Park at all if that course of action is dictated by the facts.



Certainly, it would be most naive to pretend that the Chesapeake Bay will not be the scene of a great deal of future industrial development. But we have learned from sad past experience that it is in the public's best interest to fully study the impact of future development before the fact rather than lament the damage in retrospect.

Sincerely,

Thomas L. Kimball Executive Director

cc: Paul M. Breidenbaugh

Ruth Mathes





DEPARTMENT OF THE ARMY BALTIMORE DISTRICT, CORPS OF ENGINEERS PO BOX 1715

BALTIMORE, MARYLAND 21203

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18 September 1970

Mr. Vladimir A. Wahbe Secretary of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

Reference is made to your letter of 26 August 1970, requesting my assistance in evaluating the proposed Annemessex Maritime Industrial Park. You specifically requested information on the channel location, dredging costs, spoil disposal, financial assistance, and Corps of Engineer permits.

The present location of the Industrial Park has changed substantially, both in size and location, from the one originally discussed at a public meeting on 11 March 1965 in Crisfield. At this meeting local interests requested that the existing project be deepened from 12 to 35 feet and widened to 400 feet to accommodate deep draft ocean-going vessels destined to the proposed industrial park. The study of Crisfield Harbor in the interest of navigation was authorized by resolution by the Committee on Public Works of the United States Senate on 11 June 1959. Funds, however, were not made available until FY 1965 when a public meeting was held. The study is presently being deferred until the Economic Development Administration acts upon the new grant and loan application by Somerset County. The study will be resumed when the navigation needs of the industries locating in the Park are identified.

Dredging of commercial navigation channels are accomplished entirely at Federal expense if a study has shown the work to be economically feasible from a Federal viewpoint. Non-federal interests are required to furnish all lands necessary for disposal of the dredged material. A channel 25 feet deep and 250 feet wide would require dredging a minimum of four million cubic yards of material. Since past analysis



NABEN-B Mr. Vladimir Wahbe

of the material to be dredged indicates it is unsuitable for use as fill for the industrial park, disposal of the material is certain to be of the upmost importance in regard to any navigation improvements.

The National Environmental Policy Act of 1969 (copy inclosed) requires this office in its studies to solicit the views of appropriate Federal, State, and local agencies, who are authorized to develop and enforce environmental standards with regard to any proposed improvements. Statements concerning the environmental impact, adverse environmental effects, and alternatives to the proposed action are required.

A pamphlet entitled "Permits for Work in Navigable Waters" is inclosed for your information.

Sincerely yours,

2 Incl As stated

Colonel, Corps of Engineers

District Engineer



AUDUBON NATURALIST SOCIETY OF THE CENTRAL ATLANTIC STATES, INC.

8940 IONES MILL ROAD

Washington, D. C. 20015

Telephone: 301—652-9188

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hane die Volle er de Naturalist 208, for hald conservation news date act vites First and foremost would be the destruction of wetlands. This is not to be taken lightly, especially in a state which just last year enacted legislation for the specific purpose of protecting wetlands.

Of equal importance is the potential for disastor presented by large ships in the area containing petrochemicals. While it may be reasonable to forbid such activities as the discharge of sanitary waste and garbage, and the pumpout of tanks, bilges and ballast, somehow, it just does not seem to work — to "forbid such activities." We still have mysterious oil slicks appearing. "...to prohibit final pumpout in the immediate area of the harbor and in other areas of the channel and the bay where such prohibition is essential to the preservation of marine life and other forms of wildlife" should mean to forbid pumpout in the water — PERIOD.

On the subject of oil spills and accidents: The statement was made on pg. 54 of the EBS Report that: "Many areas have experienced the undesirable effects of spills. but they have recovered from them." Dr. Max Blumer, Senior Scientist at Woods Hole Oceanographic Institution in Massachusetts in a paper entitled: "The Problem Of Oil Pollution In Coastal Waters" produces evidence quite the opposite. ".. In a spill of fuel oil in West Falmouth, Massachusetts, oil was incorporated into the sediments of coastal waters, rivers, harbors and marshes. The oil has persisted within the sediments for many month after the accident in unchanged composition and toxicity and we find that the transport of oil-laden sediments still is contaminating areas that were free from contamination for months after the accident It is widely assumed that fish and shellfish "tainted" by oil will again be fit for human consumption after a period from 2 wesks to several months. Our experience makes this highly improbable. For one thing, natural hydrocarbons, e.g. pristans which also occurs in crude oil, are retained in the lipids of marine organisims for life. Further, shellfish exposed to the West Falmouth oil spill had retained the fuel oil to which they had been exposed for several months after the accident."

After roading that, the statement on page 54 of the EBS report that: "Assuming all other risks from pollution could be overcome, the question then becomes whether or not the





AUDUBON NATURALIST SOCIETY OF THE CENTRAL ATLANTIC STATES, INC.

8940 JONES MILL ROAD

Washington, D. C. 20015

October 27,1970

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ANCIR WIRMONE

RONMENTAL EDUCATION Mr. Vladimir Wahba Maryland State Department of Planning 301 West Preston St. Baltimore. Md. 21201

Dear Mr. Wahba:

Mrs. Ruth Mathes, Chairman of the Maryland Wetlands Committee has asked that we review the description of the proposed Annemessex Canal Industrial Complex. We understand that you have requested that we do not limit our response to the potential impact on the environment, but that we also are to address ourselves to the objective of aiding Maryland citizens who are not currently benefiting from the generally healthy Statewide economy.

In our opinion, the two questions cannot possibly be seperated! A "healthy" economy cannot exist in an area that has been devastated by pollution. That this area would be so devastated if the proposed Industrial Complex became a reality, seems an inescapable conclusion.

"The introduction of a large industrial complex, particularly one involving petrochemicals, into a relatively serene area with attractive water resources and considerable wildlife raises serious questions of potential environmental disbenefits which would cancel out any economic benefits attributable to the project." (THE IMPACT OF THE PROPOSED ANNEMESSEX CANAL INDUSTRIAL COMPLEX NEAR CRISFIELD, MARYLANDchapter VII, pg. 45)

Would the 2,000 estimated workers in this complex of industry devoted to the production of plastics materials, synthetic resins and nonvulcanizable elastomers; copper, lead, zinc and aluminum smelting plants; scrap metal recovery and tin smelting; steel rolling mills be drawn CORARY VICE PRESIDENTS from the local people? Are the skills needed in this type of industry available locally? If not, would the local people be trained?

> Even if the answers to those questions might be "yes". there are other considerations.

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AUDUBON NATURALIST SOCIETY OF THE CENTRAL ATLANTIC STATES, INC.

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disbenefits from oil spills would outweigh the economic benefits from the increased payrolls and taxes. This is a difficult decision which can only be weighed properly by those who live in the area and would experience the problems and the profits".seems incredible.

Many more people than just those who live in the area have a stake in this proposal. The Chesapeake Bay "belongs" to all of us.

Quoting from Dr. Blumer's paper again: "The combined impact of oil, and oil products, chemicals, domestic sewage and municipal wastes, of the filling of wetlands, od the dredging and of overfishing might lead to a deterioration of the coastal regions similar to that which we have brought about in the Great Lakes. Because of the much longer time scale of the oceans, such a catastriphic deterioration would not likely be reversed within many generations; it would have a deep and lasting impact on the future of mankind."

Sincerely,

Mus. Hal Thagazle

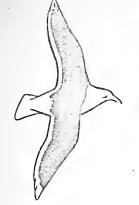
Mrs. Hal Magargle

Vice President, Conservation

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The Chesapeake Bay

REVIEWED | FOUNDATION

"PRESERVE THE ENVIRONMENTAL INTEGRITY OF CHESAPEAKE BAY"

P. O. Box 209, Annapolis, Maryland 21404 301 268-8816

November 5, 1970

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Mr. Vladimir A. Wahbe Secretary of State Planning Maryland Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

Thank you for your letter of October 6 requesting the views of the Chesapeake Bay Foundation on the proposed Annemessex Maritime Industrial Park. As you know, the Foundation has already taken certain actions with respect thereto and will continue to maintain an active interest in all proposals for the industrialization of Chesapeake Bay.

I must confess that on the basis of the information available to me, it is difficult to advise you totally on our position with respect to the industrial development plans for Somerset County, Maryland. The descriptive enclosure the accompanied your letter of October 6, while non-specific, suggested that a major seaport and "heavy" industry involving oil refining, metals and plastics, were planned to be located on the 1,500 - 2,000 acre Annemessex Canal area. At a presentation at the Marion Station Lion's Club meeting in Somerset County on October 21st, Mr. Carlton Y. Dize, who qualified himself as having privileged information on the economic development plans for the area, denied any knowledge of heavy industry to be constructed there. To the contrary, he said that only a few small plants such as food processing, a paint factory, and similar small, non-polluting industries were under consideration. He went on to say that small industries of this type would be quite compatible with the needs and resources of the county, whereas the heavy industries of the type described in your letter, conceivably would not be. I agreed publicly with Mr. Dize that industries of the type he described were the least objectionable and offered the full cooperation and assistance of the Chesapeake Bay Foundation in helping to promote the davelopment of Somerset County in the manner he described.



In the meantime, however, several attempts have been made by various individuals, at my request and of their own volition, to ascertain from the Maryland Department of Economic Development exactly what plans they had for industrial development in Somerset County. They have been refused this information.

As I have expressed to you and other State officials privately and espoused publicly on numerous occasions, the Chesapeake Bay Foundation will cooperate with and enthusiastically support any endeavor to upgrade the economic welfare and general well-being of the people in and around the Chesapeake Bay region. We will not, however, in the process, support those activities whose immediate and long-term effects will further degrade the Bay environment. Nor can we approve of the secret, unilateral planning (of the kind that preceded the "press leak" of the proposed Annemessex Industrial Park) and fail to take the kind of action we deem necessary in response thereto.

Chesapeake Bay is a public resource belonging to the people. While it now has many "pockets of blight," it is still one of the few water bodies of the Nation that has not been sacrificed to special interests who promise economic panacea and deliver environmental catastrophe.

Furthermore, as Director of the Maryland Planning Department, you know far better than most the dangers implicit in the piecemeal planning and regional industrialization now being contemplated for Somerset County. You have witnessed it in Calvert, Prince Georges, St. Mary's and Anne Arundel Counties and elsewhere in Maryland and know what the consequences invariably are — the steady erosion of a habitable environment, in which the social problems created far exceed our ability to solve them. Baltimore City provides an excellent example of this point, as does every other major industrial center in the Nation.

The Chesapeake Bay Foundation sincerely desires to participate in an effort to improve the economic status and life style of citizens of the region. As for Somerset County, let's discuss "food processing plants" versus oil refineries, in the context of what is best for the Bay and the people who depend on it to satisfy their many needs for a "meaningful living experience." Only then will it be possible to replace the present atmosphere of adversity with one of cooperation.

On the basis of information available, the Chesapeake Bay Foundation has no recourse but to oppose the construction of a potentially polluting, heavy industrial complex in Somerset County, particularly since we appear to be addressing ourselves to the development of a major harbor about which Assistant Secretary of the Maryland Department of Natural Resources, James B. Coulter said on September 12, 1968:

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In light of present capabilities, a harbor might as well be classed as a perpetual disaster area from a water quality standpoint. Sewage and accidental or overt spillage of oil from ships, crossote and other phenolic compounds from piles and dock timbers, and many other diffuse sources of practically uncontrollable pollution make it highly improbable that harbor waters will over meet the standards for shellfish harvesting or swimming. Under the circumstances, the most stringent control of land based installations along with catchment and cleansing of surface drainage will barely suffice to keep harbor waters attractive and hold the zone of pollution from spreading too far into adjacent waters.

If the conditions described by Mr. Coulter are what is contemplated for the Crisfield area, an area dependent on the continued quality of Chesapeake Bay for its economic livelihood, then obviously the two simply would not be compatible. If something entirely different is being planned, as Mr. Dize has stated, then it would be an entirely different matter.

Thank you again for soliciting the Foundation's views on this most serious environmental issue. I hope my answer will help in your evaluation of the project. With the seriousness of the Nation's environmental crisis now evident to every intelligent person, it is dismaying indeed to realize that there are still those who fail to realize the absolute necessity of changing the direction and emphasis of our approach resource management. The approach taken to promote the Annemessex Industrial Park represents nineteenth century thinking that an increasingly enlightened public will no longer accept.

Very truly yours,

Jess W. Malcolm

P. S. The enclosed paper, "Thermal Pollution — Are We Boxed in a Corner" has evoked favorable comment from our readers. I am enclosing a copy for your review in the event you have not previously had an apportunity to read it.

cc: Somerset Chapter, Chesapeake Bay Foundation Mr. Edmond F. Rovner Mr. William A. Pate Delegate Carlton Y. Dize

Mr. Edward Podufaly

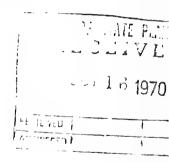
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MARYLAND WETLANDS COMMITTEE

9720 INDIAN PRINCESS DRIVE · OXON HILL, MARYLAND 20022

October 13, 1970

Mr. Vladimir A. Wahbe, Secretary Department of State Planning 301 West Preston Street Baltimore, Maryland 21201



Dear Secretary Wahbe:

Thank you for your letter of October 7 inviting comment on the proposed industrial complex near Crisfield, Maryland. Members of the Wetlands Committee are very concerned about the possible damage such a major industrial park would impose on the immediate Crisfield area and on the Chesapeake Bay as a whole.

We will proceed immediately to contact the organizations that have supported the Maryland Wetlands Committee efforts and will advise you on our findings by October 30 if we can manage it by that time. We'll try.

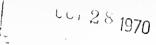
The Wetlands Committee itself, while not yet in a position to make a statement on the larger issues, does oppose destruction of the wetlands of the State. In this case, according to the EBS report, "there are almost 3,000 acres of wetlands in the immediate vicinity, and almost 7,500 additional acres close enough to the proposed industrial development as to raise the possibility of environmental changes." We have been told that 300 acres of wetlands would be destroyed directly by filling. As most environmental changes brought about by man, particularly those which result as by-products from industrial development, are deleterious to the values developed in nature, we must (assuming these facts are correct) oppose the proposal on grounds that 10,000 acres of the valuable wetlands of the State would be harmed if not destroyed outright. Ten thousand acres is a substantial portion of the total wetlands of the State and of the Chesapeake Bay estuary, and ought to be thought of not only as an isolated value, but as part of the larger estuarine system of the Chesapeake Bay. Fish and birds depend on a continuous system of marshes and tideflats, and will not survive if their habitats become isolated.

Again, thank you for your letter. We will respond to it as quickly as we can.

Sincerely,

Ruth Mathes Chairman

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SOUTHEAST CHAPTER

9720 Indian Princess Drive Oxon Hill, Maryland 20022

October 26, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning Maryland Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Secretary Wahbe:

The Sierra Club, Southeast Chapter, has adopted a resolution opposing the introduction of heavy industry into the Annemessex River area near Crisfield, Maryland.

In formulating this position, members of the Club took into account the fact that this particular section of the Chesapeake Bay is at present an unspoiled natural area, serving as a habitat for migrating and resident waterfowl and other wildlife, and serving as a refuge for humans who wish to refresh their souls in a spot of wilderness. Sportsmen and fishermen use and enjoy the area. Janes Island and other sections of the Somerset coastal marshes, recognized as unique and irreplaceable resources, are in the immediate vicinity. Members of the Club also recognize that the Chesapeake Bay is a single estuarine system, and is one of the most valuable in the Nation. The despoliation of one part is certain to affect the rest.

The report issued by EBS Management Consultants on the impact of the proposed industrial development implies that the environmental disbenefits can be minimized. While we would hope that this is so, we cannot believe that any of the environmental aspects of the proposal would be minimal at all. These include: the dradging of the channel and turning basin and resultant turbidity of the water; ten thousand across of wetlands endangered by dradging, filling, pollution; accidental spills or discharges including petrochemicals and sewage from ships; planned and accidental discharges from the industries themselves, including thermal waste, oil, chemicals; noise and air pollution; and the types of pollution created by an influx of population, including the creation of trash and sewage, the clearing of land for home construction, increased numbers of automobiles, etc.

While technology may be available to reduce hazards from the proposed activities to a greater extent than before known, we question whether or not these hazards could be reduced enough in view of the pristine quality

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of the environment now at the site. State standards do not require pollutants to be reduced to insignificant amounts, but allow significant fouling of the waters of the State. Is there any reason to believe that these standards would be upgraded in preparation for this particular project?

One of the problems with the introduction of heavy industry into such an area is that its impact spreads and can never again be contained. We understand that plans for a smaller maritime industrial park, dropped a few years ago due to the high cost of dredging, would be reactivated if the dredging is to be done for the larger proposed complex. It has been rumor for some time that an oil refinery is contemplated for Somerset County. How could you justify keeping out an oil refinery once the area is despoiled by the petrochemical, metallurgical and steel industries?

Members of the Club do not subscribe to the philosophy that increased industrial and population growth is the salvation to our economy or anything else. An influx of population and environmental degradation into the southern part of Somerset County could lead to greater impoverishment of the poor and unemployed. If there is going to be outside subsidation for the poor people of Crisfield, we would recommend that it go to commerce and industry compatable with the natural values of the area.

Thank you for consideration of our views.

Sincerely,

Ruth Mathes

Member, Executive Committee

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MARYLAND WETLANDS COMMITTEE

9720 INDIAN PRINCESS DRIVE · OXON HILL, MARYLAND 20022

October 29, 1970

Mr. Vladimir A. Mahbe Secretary of State Planning Maryland Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Secretary Wahbe:

This letter is in response to yours of October 7, 1970.

Seven of the most active conservation organizations in Maryland which we have contacted in regard to the proposed Annemessex Industrial Park have responded to our request for comment either verbally or in writing. They are: Maryland Wilderness Association; Izaak Walton League of America, Maryland Division; The Federated Carden Clubs of Maryland; Audobon Naturalist Society; Potomac River Association of St. Mary's County; Chesapeake Bay Foundation; and Sierra Club, Southeast Chapter. In view of the scarcity of information about the proposed industrial park, and the short time in which groups were asked to respond, we feel that this is a remarkable return. We are sure that other conservation organizations will make their views known when they are able to do so.

Two major concerns seem to be of overriding importance. One is that there remains an air of secrecy about the proposal. The EBS Management report is available to the public only as a result of individual citizen effort, and the Department of Economic Development continues to withhold information regarding the specific compenies that may wish to participate. There is widespread suspicion that the supporters of the project fear open debate. The second concern is that there appears to be no effort on the part of State officials to see this as part of a larger issue, namely: "What is State policy regarding the eventual use of the Chesapeake Bay?" It must be understood that the Eay cannot serve as a location for heavy industry and remain suitable for wildlife habitats, recreation uses, and the seafood industry. A decision must be made very soon as to which way we go. The quality of water and wildlife is vastly superior at the lower end of the Mastern and Western Shores to that near heavy industries and high population densities to the north. The use proposed for the Annemessex area is not compatable with wildlife habitats, recreation uses and the seafood industry, all of which have increasing importance in this modern world.

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There is unanimity among conservationists that the proper use of the Chesapeake Eay is for recreation, seafood production, wildlife habitats, and any other productive uses that are compatable with these.

The Chesapeake Bay Foundation has called this proposal a "cruel and violent insult to the Eastern Shore". The Federated Garden Clubs has stated that it is "alarmed" at the prospect of the inevitable detrimental effect on the environment of such projects. Those organizations that have outlined the specific environmental hazards of the proposal cite the inability of the Chesapeake Bay to handle the flushing of effluents; the damage to water quality resultant from the dredging of the channel (only thirty-five feet?) and turning basin, and the damaging turbidity that would be caused by ships' action in the port; the discharge from ships of oil and waste, purposely or accidently, and the discharge of waste heat and chemicals from the industrial plants themselves. Though new technology may be capable of minimizing these discharges, we seriously question whether or not the actual performance could reach theoretical goals. Air and noise pollution would have profound effect on wildlife and human well being in the surrounding area. The increase of population would add sewage and solid waste to the catalog of environmental problems. Finally, conservationists oppose the wholesale destruction of wetlands which would occur here by dredging, filling, and pollution. The Izaak Walton League states "disappearance of wetlands has reached crisis proportions" and "each parcel that disappears affects many links in the chain of life". As the Wetlands Committee has stated, the possible ten tousand acres that would be endangered by this project is a substantial protion of the wetlands of the State.

Your question concerning whether or not the economic feasability study should be conducted simultaneously with the environmental and engineering feasability studies can be answered in only one way: no studies in preparation for this project should be undertaken, because the project should not be continued. We feel that no more public money should be spent on a project which would be so harmful to Chesapeake Bay, and that instead, such money as may be available should be expended in ways that will clearly help the poor and disadvantaged of Maryland. Environmental studies, in our opinion, take first priority. However, environmental studies already made document the incapacity of the Bay and other like bodies to flush and/or absorb without harm even minimal accidental pollution. It can be said that the types of industries proposed here, given the highest environmental standards, would pose unacceptable risks. Some authoritative statements available on this subject include:

Dr. Morris Brehmer, Assistent Director, Virginia Institute of Marine Science. Statement prepared for the Conservation and Natural Resources Sub-committee on Government Operations Hearings, July 22, 1970 entitled: "Petroleum Traffic and Trasafer Operations as a Threat to Water quality."

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Dr. Max Blumer, Senior Scientist, Woods Hole Oceanographic Institution. Paper presented at Marine Technological Society Meeting in Washington, D.C., June, 1970 entitled: "The Problem of Oil Pollution in Coastal Waters."

Dr. L Eugene Cronin, Director, Chesapeake Biological Laboratory, Natural Resources Institute, University of Maryland. Reprint from Transactions of the Thirty Second North American Mildlife and Natural Resources Conference, March, 1967 entitled: "The Condition of the Chesapeake Bay."

Dr. Cronin has expressed unceasing concern for the future of Chesapeake Bay for many years. His opening sentences in the paper cited above are: "Chesapeake Bay is probably the most valuable and vulnerable large estuary in the world. It serves a wide variety of human uses: extremely well, but some of its uses and abuses are expanding so rapidly without planning or effective control that its useful qualities are threatened." One of several prerequisites Dr. Cronin mentions as necessary to the continued utility of the Bay is wise leadership exerted by State and Federal governments.

Conservation organizations without fail have stressed that economic aid to the depressed area of Somerset County should give momentum to activities that are compatable with the local natural values. One suggestion is for State or Federal assistence to introduce modern methods of seafood production, packing, and marketing. By making the seafood industry more competetive, additional jobs and income would be created for local residents, including those presently unemployed and underemployed. This economic expansion would be compatable with the simultaneous growth of recreation and tourism. We do not accept the argument that the proposed heavy industries would substantially reduce unemployment or poverty in the area. The skilled workers immigrating to the area would have a competitive advantage over unskilled residents. The emphasis should be on aid to people, taking into account all factors that comprise a satisfactory living standard.

The real question is, and always comes back to: "What is State policy regarding the eventual use of Chesapeako Bay?" How much degradation can the Bay stand, before it dies?

"Nowadays the bay's annual kill of menhaden, bass, shad, perch, and catfish no longer inspires much optimism. While overcrowding is still partly to blame, fishermen and scientists say that pollution is threatening to strangle life in the bay. They talk glumly of the bay losing its soul and slowly giving up entirely in the manner of new 'dead' lake Erie. The villain, they say, is heavy industry." (Business Week: March 7, 1970. "Chesapeake Bay fights for its life")

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"It is only a little planet, but how beautiful it is." is a quote from Robinson Jeffers printed on a Sierra Club pamphlet. The immediate area surrounding Crisfield is a natural wonderland of scenic beauty. Government as well as private interests have recognized this and invested in its preservation. It would be a violent and cruel insult indeed to allow the prospect of profits in the short term to diminish this priceless heritage.

We thank you for this opportunity to put a statement into the record early enough so that it may have meaningful impact. We hope our views will be considered with great care, because the decision you are about to make on this proposal may be the most important single decision your Department will undertake in this generation.

Sincerely,

Ruth Mathes
Chairman

Enclosure

copy to Governor Mandel



MARYLAND WETLANDS COMMITTEE

9720 INDIAN PRINCESS DRIVE · OXON HILL, MARYLAND 20022

October 30, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning Maryland Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Secretary Wahbe:

This letter from the Potomac River Association of St. Mary's County was received by us today with the request that it be forwarded to you.

Please note the strong concurrence with our previously stated philosophy regarding the natural values of the Chesapeake Bay. The Association does, however, support "all studies that can be made" with the stipulation that such studies be made available for public perusal.

Sincerely,

Ruth Mathes Chairman

Enclosure

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POTOMAC RIVER ASSOCIATION, INC.

OF ST. MARY'S COUNTY

P.O. Box 56 - Leonardtown, Maryland 20650

October 28, 1970

Mrs. Ruth Mathes, Chairman Maryland Wetlands Committee 9720 Indian Princess Drive Oxon Hill, Maryland 20022

Dear Mrs. Mathes.

The Potomac River Association is appreciative of the oportunity to express its opinion concerning the proposed Anne Messex Maritime Industrial Park, Crisfield, Maryland. We have been aware of this proposal for sometime and have wondered what progress was being made, if any, toward its conception.

After receiving your letter of October 14, 1970 the Board of Directors reviewed the attached brief description of the complex and discussed the proposed installation at great length. As a result of this meeting, the Board of Directors, Potomac River Association, Inc. of St. Mary's County unamimously voted to voice an objection to the proposed Anne Messex Maritime Industrial Park. The members of our Board do not believe it possible for an industrial park with such industries as smelting plants for nonferrous metals, production facilities for plastic materials, resins, nonvulcanizable elastomers, and steel sheets, strips and bars to be compatible with the natural environs of the Chesapeake Bay and its tributaries. We sincerely believe that development of this proposed complex and construction of the required deep water canal to and turning-basin of the complex can not help but drasticly alter to the worst the known estuarine values of the Crisfield area. From past experiences with similar problems in our area, we firmly believe if this industrial park became a reality, the surrounding area will become uninhabitable for marine life, finfish, shell fish, crabs and water fowl alike.

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We also question the extent to which the Crisfield area is a "depressed area". We would like to pointout that St. Mary's County was also called a "depressed area" by Dr. Pate and company in 1968 when the foreign trade zone and petroleum topping plant were proposed at the Steuart Oil Company facility, Piney Point.

We support all studies that can be made concerning such a proposal realizing the value of such studies and providing the studies are properly conducted by qualified people and that the results of the studies are made available for public perusal.

Again may I state, our organization is opposed to the proposed industrial complex because we do not believe that the complex is, or ever can be, compatible with the Chesapeake Bay or its tributaries.

Thanks for asking our opinion and for keeping us informed of the developments as they occur. If our organization can be of any assistance in the future concerning the Anne Messex complex don't hesitate to ask. We will try to help in any way we can.

Very truly yours,

John Stand

JOHN O. KOEGEL, Chairman Potomac River Association, Inc. of St. Mary's County



DELMARVA ADVISORY COUNCILLIVED



132 EAST MAIN STREET P. O. BOX 7
SALISBURY, MARYLAND 21801

DEC 9 1970 PHONE 301/742-9271

December 3, 1970

Mr. Vladimir A. Wahbe, Director Maryland Department of State Planning State Office Building 301 West Preston Street Baltimore, Maryland 21201

Dear Mr. Wahbe:

The Citizens Committee on Conservation of the Delmarva Advisory Council, meeting November 30, 1970, went on record as favoring further engineering and other studies of the proposed Annemessex Marine Industrial Park at Crisfield.

This substantial voice reflected a strong belief on the part of the committee members that only with such facts in hand can intelligent conclusions be reached.

The committee has further carefully reviewed the pros and cons of the project as outlined in the EBS Management Services, Inc. report made for the Delmarva Advisory Council and the Maryland Department of Economic Development with these conclusions:

- -- That the dangers to the environment have been carefully stated in the report, and the recommendations for adequate safety precautions are precise and within economic and technological capabilities, so, IF THESE CAN BE ASSURED we feel there is no basis to disqualify the proposed project on the grounds of environmental hazards or pollution.
- -- That the many threats to the environment that the construction of this complex presents can be and must be fully protected by strict adherence to all safety measures which must be provided, and by the prompt and vigilant enforcement of all laws, rules and regulations both State and Federal, which may apply.
- -- And finally, that the Committee recommends that in advance of any construction, dredging, filling or plant operation, the concerned industries post an adequate performance bond as prior indication of good intent that it be substantial enough to deter any short-cuts in the exercise of safety, and in the event of an accident would provide funds for the prompt correction of such an occurrence.

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Page 2

Mr. Vladimir A. Wahbe, Director Maryland Department of State Planning Baltimore, Maryland 21201 December 3, 1970

It should be noted, further, that the Delmarva Advisory Council's Conservation Committee is made up of concerned citizens from throughout Delmarva who have had long experience in conservation matters and recognize the necessity for maintaining a responsible balance between development and conservation for conservation's sake.

The above position, according to Committee speakers, parallels those expressed by the Maryland Division of the Izaak Walton League of America and the Maryland Ornithological Society, officials of which are members of the committee and joined in the unanimous expression of these views.

It was the Committee's desire that these sentiments be conveyed to you in the hope that they will afford some guidance toward a recommendation that the State of Maryland undertake whatever further studies are necessary to insure that data concerning the Annemessex project is both complete and accurate and that the public is fully informed. If, in your judgment, this group can be appropriately oriented to these recommendations and selected facets of your relationship to this project; the staff would be delighted to arrange future program time on this committee for you or one of your staff. We are certain the committee would be honored, and the result would be productive.

Sincerely,

Kinneth T. Malher

Executive Director

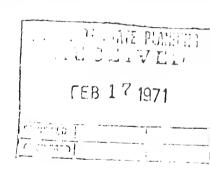
KTM:mcn

cc: Mrs. David C. Porter, Chairman DAC Conservation Committee



Congress of the United States
House of Representatives
Mushington, D.C. 20515

February 16, 1971



Mr. Vladimir A. Wahbe
Secretary of State Planning
Department of State Planning
301 West Preston Street
Baltimore, Maryland 21201

Dear Val:

Since sometime in 1965 this office has been involved one way or another in trying to obtain a marine industrial park for Crisfield, Maryland. Our role has been to respond to requests from local elected and appointed officials and deal with the proper Federal agencies.

The project has now been changed and is known as the Annemessex project. I am under the impression that Federal and state laws are restrictive enough that no facility will be constructed which will contribute to pollution of the air and water. This office would be the first to object to a facility that would pollute.

At the present time, we are unable to answer inquiries pertaining to the project because I am not aware of its exact status. Will you please bring me up to date and let me know what role your Department is playing at the state level.

Thank you for your continued cooperation and assistance.

With kind regards,

Yours sincerely,

William O. Mills
Administrator

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U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION WASHINGTON, D.C. 20230

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AND'VERED				

September 22, 1970

Honorable Vladimir Wahbe Secretary of State Planning State of Maryland State Office Building Baltimore, Maryland

Dear Mr. Wahbe:

This is in response to your letter of August 27, in which you requested a rationale for the Economic Development Administration's position requiring land options as a prerequisite to accepting an application for a technical assistance grant for an engineering and environmental feasibility study of the proposed Annemessex Maritime Industrial Park project.

There are several reasons for our position that having the site substantially under option prior to funding the engineering and environmental study would be advisable, both from the Federal, State and local points of view. Firstly, it must be recognized that EDA is empowered to operate fully only in designated areas. As far as counties around the Chesapeake Bay in Maryland are concerned, we are restricted to Somerset, Dorchester and Calvert. cussions concerning the proposed maritime industrial park project, which date back over two years now, indicate that the number of sites appropriate for such a project are very limited -- in fact, the site currently under consideration might well be the only one suitable. Therefore, it would not seem reasonable to assume that study findings could be readily transferred to another project site, and it would be prudent to make certain that the specific site under consideration be available prior to our funding a study of the scope anticipated.

In this connection, moreover, there is the obvious fact that ecological and engineering findings apply only to a specific site -- i.e. they are not transferrable to another site, since such conditions differ significantly from place

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to place. This means that if we fund an environmental and engineering study without having the specific site assured, we might well end up with totally inapplicable findings.

Another reason for our preferring that options be taken in advance of acceptance of the technical assistance application is that any alternative course would seem to open up possibilities of land speculation entering the picture. This might well jeopardize the entire project, since its ultimate success depends heavily on bringing in the land at a reasonable cost.

Despite these considerations, however, the EDA's position is not totally inflexible on this point. If option-taking presents insurmountable obstacles to the State at this time, we are prepared to consider an application calling for a staged study -- that is, an application which would, first, cover those elements necessary for the State to make a decision on its position, including environmental factors and such engineering findings as might be necessary, and, as a second phase, after an affirmative decision and initiation of optioning, a comprehensive engineering feasibility study. We want to emphasize, however, that our agency considers this a less desirable alternative, and suggests it only in a spirit of cooperation with the State of Maryland. We have participated in many discussions and meetings regarding the proposed project with the Maryland Department of Economic Development, the Maryland Port Authority, and other State agencies and local officials, and have been impressed that much time, creative thought and earnest effort - as well as some funds - have been put into the project.

As a final thought, we must point out that continued delays on taking options may lead to greatly increased costs, including rising land and construction prices, and the possibility of the already completed land appraisals becoming obsolete and having to be redone, etc.

	-		

September 22, 1970

If you have any further questions on which you think I may be helpful, please do not hesitate to call on me.

Very truly yours,

John B. Moore, Jr. Economic Development Representative

JBM: an

cc: Honorable J. Millard Tawes
Honorable Edmond F. Rovner
Mr. William A. Pate
Delegate Carlton Y. Dize
Mr. Robert Charles Biggy Long
Honorable Mayor John S. Catlin
Mr. Joseph L. Stanton

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DEC 3 1970

BOZMAN, MARYLAND 21612 TOTAL

December 2, 1970.

Mr. V. a. Walde:

On November 30th. I gave a short report to The Delaware Advisory Council regarding the "Annemessex project". (Copy attached.)

Apparently this project has caused a great deal of speculation and misunderstanding, but after listening to Mr. Denit's report and a question and answer session, the following facts were established.

- 1. That the <u>preliminary</u> report by E.B.S. Management Consultants is just that. It is broad in concept and does not (nor could not) deal in specifics.
- 2. There are no commitments by any industry.
- 3. Several of the property owners are not anxious to proceed without a definite showing of plans regarding the respect of wet lands, wild life, and preventive pollution plans.
- 4. Recommendations were made to the Council to proceed with two studies engineering and ecological but the funds for these studies have to be raised.
- 5. Target date for development is still several years away.
- 6. The economic plans for the unemployed in the area will not be met by this project except in a very minor way. The financial benefits were not challenged.

Respectfully submitted by

National Director of

Isaac Walton League of America.

JLN:r

Statement of James L. Newbold to the Delmarva Advisory Council Meeting on the Ahmenessex Project.

Members of the Council and guests:

It was a distinct honor to have been asked to present to this Council the views of conservationists generally, and of the Md. State Division Isaac Walton League of America in particular on the proposed "Almenessex Project".

My interest in conservation dates back only a short ten years - but during that time I have twice served as President of the Talbot County Chapter of Isaac Walton League - am a member of the State Board of Directors, and I am currently serving as a National Director of the League. I have also served on the D.A.C. Conservation Committee over the past three years.

I am not a conservationist by education, training, or experience; only by necessity. My home for the past twelve years is on one of the tributaries of the Chesapeake Bay - so that my concern for the Bay and its' future is personal and close.

You have just heard Mr. Denit's concise and detailed summation of the economics involved in the Crisfield project. The impact of the construction of such a complex will, I am sure, provide all of the benefits of employment and tax revenue in the area that have been described; and to this and to the further development and construction of the project we offer no opposition or complaint -

PROVIDED

That prior to, and during the construction and subsequent operation, the various plants included in the complex be subjected to the strict observance and adherence of all laws - rules - and - regulations of County, State, and Federal Covernment regarding safeguards to air, water and lands.

That clearance from the appropriate State and Federal agencies involved be obtained in advance for the issuing of any permit, license or letter of authority regarding the use, dredging or filling of wet lands; water use; widening and dredging the canal; and latterly the discharge of any type of pollutont into the Bay or the air above it.

The detailed report made by E.B.S. Management Consultants for the Council is, in the main, most comprehensive and emplicit, and has recommended many safeguards and provisions for the protection of the environment.

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I believe, as does the report, that with propor supervision, strict enforcement of existing laws regarding pollution of all kinds, that the complex can move ahead, and in the years shead return to the area the economic and financial benefits that have been so loudly acclaimed.

The Isaac Walton League is not opposed to progress or growth, provided that such growth and progress does not adversely affect the soil, air. woods, water, or wildlife.

Now for a few apecifics:

From the report I quote as follows =

- 1. "The complex would have a considerable impact on the area Positive from the standpoint of economy and potentially Negative from the standpoint of environment." (sec i)
- 2. "Whatever economic disbenefits might occur in the fishing industry could be minimized by appropriate environmental controls over the activities associated with the industrial complex." (see iii)

And in a masterpiece of understatement the following -

- 3. "It is difficult to define with precision the nature of the ecological impact." (sec 111)
- 4. "Strict controls would be necessary to prevent pollution from the normal operation of heavy ships in confined waters. However, these controls appear well within economic and technological capabilities." (sec iv)
- "The most serious possibility is from thermal pollution.
 Unless adequate steps are taken to prevent unacceptable changes
 in the temperature or salinity of the water, there would
 be serious danger to the local fishing industry. (sec iv)
- 6. "The possibility of accidental discharge of unacceptable or poisonous effluents from the plant site. This possibility can be minimized by careful design standards and safety controls." (sec 1v)
- 7. "While it is assumed for the purposes of this study that all necessary safeguards will be provided to prevent environmental pollution constant vigilance will be required to see that these saveguards are provided and maintained. This is particularly true occause of the danger of harm to the important wet lands adjacent to the site and to the many species of wildlife thich inhabit the wetlands."



- 8. "Unless the proposed industrial complex consists of unusual processes with an exceptional susceptibility to pollution of the environment, it is well within the realm of feasibility to provide safeguards against environmental pollution." (sec v)
- 9. "IF THIS CAN BE ASSURED there is no reason on the basis of present information to disqualify the proposed project on the grounds of environmental hazards or pollution. (see v)

The dangers to the environment have been carefully stated in the eight sections of the report I have quoted, and the recommendations for adequate safety precautions are precise and within economic and technological capabilities, so, "IF THESE CAN BE ASSURED" we feel there is no basis to disqualify the proposed project on the grounds of environmental hazards or pollution.

The Maryland Division of the Isaac Walton League of America takes the position that the many threats to the environment that the construction of this complex presents - can be and must be - fully protected by strict adherence to all safety measures which must be provided, and by the prompt and vigilent enforcement of all laws, rules, and regulations - both State and Federal, which may apply.

In conclusion, the League recommends that in advance of any construction, dredging, filling or plant operation, the concerned industries post an adequate performance bond as prior indication of good intent - that it be substantial enough to deter any short cuts in the exercise of safety, and in the event of an accident would provide funds for the prompt correction of such an occurence.

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PRINCESS ANNE AREA CHAMBER OF COMMERCE

TELEPHONE 651-1424

BOX 65

PRINCESS ANNE, MD. 21853

September 2, 1970

11 July 1 Planner

SEP - 8 1970

Mr. Vladimir A. Wahbe
Secretary of State Planning
Maryland Dept. of State Planning
301 West Preston Street
Baltimore, Maryland 21201

Dear Mr. Wahbe:

We have received your correspondence of August 26, 1970 pertaining to the proposed Annemessex Maritime Industrial Park.

We have studied detailed information quite thoroughly and have reached the conclusion that we cannot stress too strongly our sincere desire for this project to be implemented ---- and, as quickly as possible. There is no question whatsoever in our minds that the Industrial Park as planned will indeed have a most favorable impact on the economy of Somerset County. We could not determine, no matter how hard we tried, that there could possibly be any detremental, economical and environmental consequences.

We will appreciate learning the results of the comments and recommendations which you receive; and, if possible, the proposed schedule of progress for construction.

Sincerely,

PRINCESS ANNE AREA CHAMBER OF COMMERCE

R. A. Robillard

President

RAR/bfl

cc: Mr. Edmond F. Rovner

Mr. William A. Pate

Delegate Carlton Y. Dize

Mr. Edward Podufaly





NOV 10 1970

STATE AVIATION COMMISSION

OF MARYLAND STATE OFFICE BUILDING

SOI WEST PRESTON STREET BALTIMORE, MD. 21201

AVID B. SNYDER

TELEPHONE: 383-3010, Ext. 8334

November 6, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning 301 W. Preston Street Baltimore, Maryland 21201

Re: Annemessex Maritime Industrial Park Proposal - Crisfield

Dear Mr. Wahbe:

Upon reviewing the area of land that was being established for the above proposed industrial park, it was noted that the Crisfield Municipal Airport was entirely encompassed within the northern portion of this land. All information prior to the above date indicated that heavy industry was being proposed for the industrial park but actually no information was available as to where the building sites for such industries were to be located within this complex. This agency considers such locations to be of vital interest due to their proximity to the airport.

In the interim, controversial opinions from various sources close to the City management and business interests in and around Crisfield as to whether this industrial park would or would not come into existence led to another visit on the above date, accompanied by Mr. Charles Pixton, of the Department of State Planning. We were fortunate in meeting with Delegate Carlton Y. Dize, who most cooperatively proceeded to enlighten the planning of the proposed industrial park.

Delegate Dize advised that at this time it is proposed to have the Economic Development Administration of the Federal Government complete a feasibility study as to whether there should be an industrial park established at the area so indicated, and if so, what type of industries should be considered. It is Delegate Dize's intention to call a meeting at a very early date of all concerned persons, local, State, and Federal, to discuss the proposed industrial park. In discussing the role of the existing airport, Delegate Dize advised that it was intended to have the airport remain at its present location and that the industrial building sites would be planned south of the airport to allow the airport to act as a buffer between the industrial park and the residential area being developed north of the airport.

Ctr.		

Page two.

Mr. Vladimir A. Wahbe

11/6/70

It is the opinion of this agency that at this time it is premature to pass any recommendations or decisions regarding the proposed industrial park since no firm commitments regarding this park have been offered by any persons or parties involved with the planning of such industrial park.

However, it would be appreciated if this agency would be kept informed relative to any such planning for an industrial complex in the area of the Crisfield Airport.

If this office can be of further assistance, please do not hesitate to call upon us.

Yours very truly,

STATE AVIATION COMMISSION

David B. Snyder

Director

DBS:keb

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State of OFFICE OF THE SECRETARY

DEPARTMENT OF HEALTH AND MENTAL HYGIENE
301 WEST PRESTON STREET . BALTIMORE, MARYLAND 21201 . Area Codo 301 . 393-3010

Neil Solomon, M.D., Ph.D., Secretary

October 13, 1970

Mr. Vladimir Wahbe Secretary of State Planning State Office Building Baltimore, Maryland 21201

Dear Mr. Wahbe:

Members of my staff have reviewed the data enclosed in your letter of August 25, 1970 concerning the proposed Annemessex Maritime Industrial Park. The following comments are relative to the Park's effect on the water and sewerage systems planned for the Crisfield area.

There is no indication from the Somerset County Master Plan for Water and Sewerage, or other documents, that the Crisfield area is presently planning for such a relatively large increase in industrial activity and related population growth. The 1970 projected population for the Crisfield Sewage Treatment Plant service area is 6,700. The population currently projected for this area by 1985 is 7,200, or an increase of 500 people between 1970 and 1985. Information enclosed with your letter indicates a population gain of 5,888 for the same general area by 1978. Not all this increase would be in Crisfield, but most of the increase could be assumed to be in the Crisfield area.

In addition to domestic waste from the increased population, a substantial increase in industrial waste would be expected. Some system of industrial waste treatment would have to be worked out. As you know, various solutions to this problem are available; such as, all treatment accomplished by the industries, protreatment by the industries with final treatment by the municipality, etc.

Presently, Crisfield is expanding the capacity of its sewage treatment plant to approximately 1.0 mgd and upgrading the plant from primary to secondary treatment. In addition, a 2h-hour holding pond will be built for protection of shellfish waters in compliance with State and Federal laws and regulations. This expansion is to meet the presently projected 1985 population of 7,200. Cost of this expansion will be approximately \$800,000.

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The successful completion of the Annemessex Maritime Industrial. Park would attract a projected additional population of 5,888, resulting in a population of about 12,500 by 1978 for the Crisfield area. In order to meet the demands of this increased population, the Annemessex developers should plan with the county and town agencies. This will give the responsible agencies time to prepare for the unforeseen increase in population.

A meaningful estimate of the cost of additional waste treatment facilities necessitated by the presence of the Park cannot be made from the data available. No information is given on the quantity, characteristics and method of pretreatment, treatment, etc., of the industrial wastes. The increase in cost of the facilities needed for additional domestic waste only would be roughly proportional to the increased population served.

Most discussion so far has centered on the waste treatment facilities. However, it should be remembered that the present Crisfield water distribution system will be expanded for a 1985 population of 7,200, not a 1978 population of 12,500. The County Master Plan for Water and Sewerage suggests that ample groundwater is available and that industries requiring large amounts of water drill and operate private wells.

We hope that the information provided in this letter will be helpful to you_{\bullet}

Very truly yours,

Neil Solomon, M.D., Fn.D.

MeilSolomon

Secretary of Health and Mental Hygiene

PIER 2 PRATT STREET | BALTIMORE, MARYLAND 21202

PHONE PLAZA 2-211

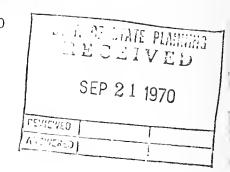
ATTRY W HALL
CHAIRMAN
FRANCIS X WELLS
HOLCHAIRMAN
EDWARD S CORCORAN
HARRY B CUMMINGS
JAMES H GROVE

JOSEPH L. STANTON

MARYLAND PORT AUTHORITY

September 18, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning Department of State Planning 301 W. Preston Street Baltimore, Maryland, 21201



Dear Mr. Wahbe:

This letter is in response to your letter, dated August 26, 1970, in which you request explicit comments regarding the Annemessex Canal Industrial Complex (Annemessex Project). Your letter was referred to me in the absence of, and at the direction of, Mr. Stanton.

Since its inception, the Maryland Port Authority has been engaged in the development and construction of port facilities for promotion of waterborne commerce to and from the Port of Baltimore and other marine areas of the State of Maryland. In 1962, the Somers Cove Marina at Crisfield, Md., was completed, resulting in a large modern facility for commercial fishing boats and pleasure craft. This facility serves as an important stimulant to the economy of the area, although the area is still considered to be economically depressed. In 1964, Cambridge, Maryland, achieved deepwater port status with the opening of a modern marine terminal. In each case the Authority rendered technical assistance and supervised the engineering and construction phases of the project, as well as the financing. Both projects were joint ventures of the Federal and/or State and local governments.

The Annemessex Project is basically an outgrowth of another project called the Crisfield Maritime Industrial Park. In 1966, the City of Crisfield requested MPA assistance in designing and development of the Crisfield Maritime Industrial Park. The proposed park was to contain approximately 77 acres in Crisfield with an 1800 linear foot bulkhead. An access channel with a controlling depth of 25 feet was to be dredged.

In June of 1966 an application was submitted to the Economic Development Administration (EDA) for a Federal grant and loan. Part of the form included the total estimated cost of development of \$3 million. The recommended method of financing this cost was a direct

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Mr. Vladimir A Wahbe September 18, 1970 Page 2.

grant of \$1,500,000 (maximum grant was 50% of total estimated cost), a supplementary grant of \$900,000 (for a total grant of \$2,400,000 or 80% of estimated cost) and a loan of \$600,000. One year later, EDA offered a grant of \$1,334,000 and loan of \$334,000, subject to their Standard Terms and Conditions and their Special Conditions. On June 20, 1967, the City and County accepted the EDA offer of Loan and Grant dated 19 June 1967, including associated terms and conditions. Enclosed herewith is a copy of these terms and conditions.

The EDA loan of \$334,000 was to be repaid over a period of 40 years with interest at 4-1/8% per annum. It was understood and agreed by local interests that the Maryland Port Authority would advance \$1,108,000 to be repaid over a 25 year period at an interest rate to be based on the prevailing interest being paid on State bonds over the construction period, plus a modest administrative charge.

In April of 1968, a revised total cost estimate for the project was made by the engineering consultant firms of Thomas B. Bourne and Associates, Inc., and Ewell, Bomhardt and Associates, Inc. The revised estimate was approximately \$4 million due to rather pronounced increases in construction costs since the original development of the feasibility estimate. However both estimates were based upon the channel dredging for the project producing high yields of good sand to be used as land fill for the project. Everyone was reasonably assured that such conditions would be substantiated by soil boring samples, as a result of experience gained in the dredging of the Somers Cove Marina project. However, analysis of boring samples completed in June 1968 indicated unsuitable fill material, thereby complicating the dredging phase and design of the bulkhead. It was decided that dredged material from the channel would have to be wasted instead of utilized for land fill at the project site. Subsequent laboratory tests on the boring samples by the Corps of Engineers substantiated these findings.

A final estimated total cost of the project of \$5.5 million was made in September 1968 to account for the problems of dredging, bulkhead construction and site preparation. As a consequence, it was considered that the project was economically unfeasible, since the cost of development per acre exceeded \$70,000.

ANNENUSSEX PROJECT

In November of 1968 the Maryland Department of Economic Development (DED) requested that the Maryland Port Authority consider participation in the Annemessex Project which was to be restricted to

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Mr. Vladimir A Wahbe September 18, 1970 Page 3.

deepwater oriented industries which would have the effect of providing new and additional waterborne commerce to the State.

DED recognized our substantial financial commitment already made in the Crisfield Industrial Park project but considered that the chances were slight that the required additional funds for that project would be made available from any source. A preliminary economic impact study conducted by EBS Management Consultants, Inc., was submitted for our review, and DED stated on November 15, 1968, that they were seeking a definite decision as to whether or not the MPA would be willing to immediately undertake to (1) negotiate purchase options covering the entire site of approximately 1,400 acres or, (2) secure separate options on a significant portion of the acreage, with the understanding that the Somerset County Redevelopment Corporation would option the balance of land. DED stated that at least four major chemical firms expressed great interest in the project.

On November 26, 1968, representatives of DED met with representatives of conservation-oriented State agencies and there was unanimous agreement that a comprehensive engineering feasibility study should be conducted to determine whether the project proved feasible. DED stressed that there was no intention of fostering a nuisance situation in the area and emphasized the need for control in all phases of development as a primary control. However, DED offered rebuttal to several remarks relative to the economics of the project and the desire for "light industry" or non-manufacturing industry. It was pointed out that plants like Westinghouse would not locate in that area. It was also pointed out that light industry is not always the most desirable tenant, primarily because the investment ratio to employees is generally quite low as is the pay scale.

On July 29, 1968, there was a meeting of representatives of MPA, DED, EDA and the Governor's staff to discuss MPA involvement. MPA stressed concern about the matter of developing wetlands, and it was generally agreed that there was some risk in this regard, but that an ecological study would be a part of the comprehensive engineering feasibility study. Mr. Pomles of the Governor's staff stated that the Governor was acquainted with the project and wanted it to proceed quickly. DED noted that the Watlands Committee identified the proposed site area as most vulnerable for development.

At this meeting several other major topics were discussed. There was general agreement that MPA and Somerset County should bear the costs of appraisals and options. D&D suggested that MPA also

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Mr. Vladimir A. Wahbe September 18, 1970 Page 4.

finance the dredging, bulkheading and construction of the operating apron. EDA participation would then include financing of the site preparation, including utilities, filling and grading. In this regard, the project would be analagous to the Crisfield Project. MPA expressed concern about the prospect of recovering their investment in the project, but DED felt that the investment could be recovered from the sale and lease of land. It should be noted, however, that EDA involvement would probably require a mortgage on the land, as with the Crisfield Project. Nevertheless, such potential problem areas should be resolved at an early stage. It was stressed that if any dredging is to be financed by the Federal Government, then the Maritime Administration must be involved, but an appraisal of the project from the Maritime view could be advantageous, except that it would be extremely time consuming to include them.

On August 1, 1969, the Maryland Port Authority Commissioners agreed to our involvement in the Annemessex Project with the following conditions:

- 1. There must be no objections on the part of State and County conservation-oriented agencies.
- 2. The MPA must be released from its obligations to the Crisfield Maritime Industrial Park project.
- 3. MPA participation in appraisal and options does not commit it to future development.
- 4. Somerset County must bear half the expense of appraisals and options.

A letter dated August 4, 1969, from the Secretary of the Maryland Department of Natural Resources stated that on the basis of present information the general outlook seems to be that the Annemessex Project can be developed without prohibitive natural resources losses or disruptions. All other conditions were met and initial steps to realize the project were undertaken.

As a result of a meeting on September 9, 1969, it was decided that MPA, DED, and the Somerset County Redevelopment Corporation would be co-applicants in submitting a Technical Assistance (TA) application to EDA for the conduct of the engineering feasibility study. A copy of the draft application may be obtained from DED, since they are responsible for the preparation of same.

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Mr. Vladimir A. Wahbe September 18, 1970 Page 5.

The services of two appraisers and a real estate counselor were secured, and two independent appraisals of the proposed site were conducted and submitted to the Real Estate Counselor for review. 105 parcels, including about 1,340 acres and 23,000 lin. ft. of water frontage, was appraised at approximately \$775,000. Marshland comprises about 20% of the total acreage. The Real Estate Counselor, in a letter dated April 23, 1970, stated that, in general, the reports were most complete and satisfactory. He also stated that the appraisals reflect the value of land as of December 1, 1969.

On April 23, 1970, representatives of MPA and DED met with the Somerset County Commissioners and all lawyers in the County to apprise them of the appraisals and discuss a proposed option contract. Authorization was given by the County Commissioners to proceed with negotiations for securing options, and there was unanimous consent that the option contract should be for a base period of 18 months for 1% of parcel value or \$50.00, whichever is more, with a one year option for 1% of the parcel value. It should be noted here that all lawyers in the County were asked to attend this meeting in order that they would be apprised of the project. It was hoped that they would endorse the project in the event that a property owner contacted any for legal advice after negotiations for options were commenced.

On May 15, 1970, the Maryland Port Authority Commissioners were apprised of the status of the project. In view of the wetlands legislation, which was enacted at the last session of the General Assembly, and the period of time since their previous conditions for participation were agreed to, they directed that a meeting of interested parties be conducted to discuss the suitability of the proposed site for development before additional monies were expended. This meeting was conducted on June 12, 1970. The minutes of this meeting were previously sent to you under separate cover. It was during this meeting that EDA reiterated that one-third of the land would have to be secured under option before the TA application would be processed. MPA emphasized that the Annemessex Project was a common State project and asked that all organizations represented reconfirm their postcive attitudes toward the proposed project by letter. MPA also stressed that unanimity of all interested State agencies in approving the plan snould be on hand to avoid any possibility of expending more funds it the project would later have to be abandoned because of opposition. You are in receipt of all letters which have been received.

As a matter of information, the amount of money which has been spent on this project to date is as follows:

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Mr. Vladimir A Wahbe September 18, 1970 Page 6.

W. G. Rayfield, Appraiser	\$7,800.00
Frank S. Dudley, Jr., Appraiser	7,800.00
Timber Cruise	1,000.00
F. Phillips Williamson	4,200.00

Current Expenditures \$20,800.00

It is projected that the following additional expenses could be incurred if negotiations to secure options are authorized:

Negotiation Fees	\$ 7,700.00
18-Month Option	10,000.00
12-Month Option	10,000.00
Legal Fees	2,000.00
Contingency (updating appraisals,	
relocation, etc.)	9,500.00
Anticipated Costs	39,200.00

It should be remembered that Somerset County and MPA will share such costs. It is considered that acquisition of the land would cost about \$1,500,000.00 for planning purposes. This amount would be paid by the MPA, and the land would be titled to the MPA.

Potential problems which have already surfaced in this project include rezoning, adverse publicity and intention of the Department of Forests and Parks to secure a portion of the land. A letter dated February 25, 1970, from the Executive Secretary of the Somerset County Redevelopment Corporation states that the proposed site was deliberately zoned Agriculture because that will be the easiest zone to reclassify when it becomes necessary. He also states that he sees no reason for EDA to withhold approval of a feasibility study on this basis and advises that any rezoning wait until such a study is completed since a favorable finding of the study would be most helpful in a zoning change.

The Maryland Port Authority Commissioners, on October 3, 1969 directed that the project be publicized at the discretion of DED. It was considered by DED that premature publicity would have an adverse effect on the cost of land. However, someone involved in the project has recently divulged information which has been publicized in the Potomac Newsletter dated July 29, 1970, and the Washington Star dated August 19, 1970. As a result of these stories, a newsman from the Morning Sun asked questions about the project at the Public Meeting of the Maryland Port Authority Commissioners on August 21. Two stories

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Mr. Vladimir A. Wahbe September 18, 1970 Page 7.

were subsequently released in the Morning Sun on August 25 and 27. The first two articles were basically conservation oriented. The third article was cost oriented, and the fourth was apparently written after this same newsman talked to you.

The Deputy Director of the Department of Forests and Parks recently advised DED that his Department wished to acquire about 200 acres adjoining the present land base on the Annemessex Canal opposite Janes Island State Park. The land would be used primarily tor camping vehicles. Janes island would not be acceptable because vehicles cannot cross the Canal. My initial reaction to this proposal is negative because this is waterfront land in the major area proposed for development. Our official position on this matter will have to wait until completion of the engineering feasibility study at which time we hope that each agency's desires can be resolved amicably.

In answer to your specific questions, the following is provided:

(a) Location and Cost of Channel - Three channel alignments are under consideration. One would be from the south (Little Annemessex River approach); another from the west across Janes Island (Janes Island approach); and the third from the north (Big Annemessex River approach). We presently have substantiation from boring samples that the Little Annemessex River approach would involve the dredging of material mostly unsuitable for fill.

The estimated cost for dredging a 25 foot channel to Crisfield was \$2,238,000. The Annemessex site is approximately three (3) miles farther than the Crisfield site. Assuming that the volume of dredged matter is equal to that calculated for the previous site and assuming the material is satisfactory for fill, I would guesstimate that the approximate total cost of dredging would be \$3.5 million. It should be noted that this channel approach would have the advantage of opening Crisfield harbor to larger ships, allowing the potential development of the original project. The maintenance dredging computed for the Crisfield project was \$200,000 for each five year period. Considering the same assumptions as before, the cost of maintaining the Annemessex Project access

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Mr. Vladimir A. Wahbe September 18, 1970 Page 8.

channel would be about \$400,000 for the same period. As for the other channel approaches, no information is available at this time.

- (b) Source of Funds to Pay for Channel Three possible sources are (1) the Federal Government (2) State Government and (3) Occupant Industries. Undue delays may result if the Federal Government finances the cost of dredging because of the involvement of the Maritime Administration as previously explained. If occupant industries are required to pay, the advantage of locating there may be offset.
- (c) Amount of Spoil and Location of Disposal Areas Based on the assumptions in (a), 6,600,000 cu.yd. would have to be dredged for the southern approach. A logical disposal area for all of the material would be Janes Island and the proposed Site.

It is hoped that the foregoing information will satisfy your needs relative to our involvement in both projects.

Very truly yours,

Dy. J. Wallace

Assistant Port Planner

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A meeting relative to the proposed Annemessex Canal Industrial Complex (Annemessex Project) was conducted on June 12, 1970 in the Maryland Port Authority Board Room, Pier 2, Pratt Street, Baltimore, to discuss further steps relating to the project. In attendance were:

Carlton Y. Dize Delegate, Somerset County
J. L. Stanton, Executive Director, Maryland Port Authority
W. d. Boyer, Deputy Director, Maryland Port Authority

W. d. Boyer, Deputy Director, Maryland Port Authority
Gerard Devlin, Md. Nat'l. Relations Officer, Governor's Staff
Anné M. Hart, Asst. Md. Nat'l. Relations Officer " "
John B. Moore, EDA Field Coordinator, U. S. Dept. of Commerce
T. S. Simpkins, Attorney, Board of Somerset County Commissioners
John R. Capper, Natural Resources Planner, Md. Department of
Natural Resources

- R. B. Cleland, Executive Secretary, Somerset Co. Area Redevelopment Assn.
- F. P. Williamson, Real Estate Counselor for Project
- J. A. McComas, Jr., Chief Business & Industrial Development,
 Maryland Department of Economic Development
- W. A. Pate, Director, Md. Dept. of Economic Development
- D. J. Wallace, Asst. Port Planner, Maryland Port Authority

Mr. Stanton opened the meeting by explaining the background of the project, calling attention to the fact that the Authority was participating at the invitation of the State Economic Development Commission. He stated that the Authority was prepared to negotiate for land options. He stressed that the project is a common state cause, and he asked those present to consider the consequences of proceeding with the securing of options if the project is to be strongly opposed by conservation or other interests.

Mr. Wallace then described the proposed site area as a 1340 acre tract of land adjacent to the Annemessex Canal. He said that the appraised value of this land was approximately \$780,000. He pointed out that the concentration of marshland was in the northern parcel of which 256 acres of a total 409 acres were classified as marshland or wetlands. Dr. Boyer emphasized that this was a maritime-oriented project and that it was expected that potential occupant industries would require the existence of a deep water channel.

Mr. Pate remarked that his staff was readying an application for an engineering and environmental study (Technical Assistance Study [TA]) of the project and added that the land must be under control before the study would be conducted. He emphasized that the study was necessary to assure that the project would be beneficial and feasible.

It was noted that one of three possible channel approaches would open the Crisfield waterfront for further development. Mr. Pate also said that as a result of a meeting on November 26, 1968, of all the



State conservation-oriented agencies, there appeared to be no insurmountable problems in the development of this project. Delegate Dize remarked that there were no conservation groups in Somerset County.

At Mr. Stanton's request, Mr. Capper gave a brief account of how the wetlands bills might affect this project. First, any land lying below mean high tide that had not been deeded to a private party before 1862 would require an action of the Board of Public Works for dredging, filling, or transfer of title. Second, land above mean high tide but subject to regular or periodic tidal action (which would probably include most of the wetlands within the project area), may be subject to rules and regulations promulgated by the Secretary of Natural Resources. Establishment of these rules and regulations recuires a process including approval by the Maryland Agricultural Commission, notification of affected land owners, notification of county officials, public notice, and a public hearing. Prior to this rulesetting process, an inventory and boundary delineation of these wetlands will be conducted. Third, once these rules and regulations are established, a wetlands owner may seek a permit from the Department of Natural Resources to depart from them. In all three cases, decisions by the Board or the Secretary are subject to review.

Mr. Capper pointed out that the process of promulgating rules and regulations would take some time because of the many steps involved, and because the bills provided for a county-by-county sequence at the discretion of the Secretary.

In reviewing the projected expenditures for securing land options, Dr. Boyer noted that the Authority and Somerset County will be committed to spend approximately \$30,000 if negotiations are started, and he asked if the commencement of negotiations should be delayed, pending the completion of the aforementioned rules and regulations. Mr. Moore commented that there may be some reluctance on the part of EDA to fund the TA Study before the completion of the rules and regulations governing wetlands in Somerset County. To this, Mr. Pate answered that the TA would aid the Department of Natural Resources in finalizing their rules and regulations. He went on to say that he has received assurances that the Department of Natural Resources will participate in the project in an advisory capacity.

Mr. Williamson stated that he was concerned about a misinformed individual opposing the acquisition of wetlands, causing embarrassment to the State. Mr. Stanton asked Mr. Capper if the rules and regulation would specify the use of wetlands, to which Mr. Capper replied that they may either specify uses per se or conditions governing use. Mr. Capper pointed out that there is a wide range of public expectation for the wetlands legislation. Some have been led to expect that no wetlands will hereafter be developed, while others expect the legislation to have little overall effect on wetlands development. Because of this wide range of expect tions, there is likely to be public opposition whatever the decision regarding those wetlands.

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Mr. Stanton asked those present to comment on the project. He added that the Authority was strongly affirmative in considering this a State project requiring cooperation at all levels for the purpose of benefiting the seriously depressed area in Somerset County. Delegate Dize stated that the political attitude there was negative as the result of little progress in the area. Mr. Devlin emphasized that Governor Mandel was vitally concerned and asked him to do what he could to expedite the project to completion. Mr. Cleland felt the project would be a direct benefit to the area and said that most of the county was united in feeling the project was urgently needed. He hoped that the project would be given a high priority in all departments. As for the appraisal reports, he stated that the land values were realistic. Mr. Simpkins reported that the Somerset County Commissioners favor the project and said that opposition to the project, if any, will come from other State areas. Mr. Stanton then remarked that a tentative schedule for proceeding with the project would be:

- 1. Secure the necessary options to conduct the TA.
- 2. Complete the TA.
- 3. Obtain a permit from the Department of Natural Resources to dredge the approach channel and develop the container marshland areas.

Mr. Stanton stated that the Authority's ten year master plan provides for funding to acquire the proposed site land. He called on Mr. Pate to illustrate how the Eastalco Aluminum Company located a \$190 million bulk-handling facility at Hawkins Point to serve the new refinery. Mr. Pate explained that the combination of close-by deep water and electric power was the overriding consideration in their heavy investment in this area. Eastalco serves as an example of what can be done to benefit an area economically.

Mr. Williamson noted that the Penn Central Railroad may abandon its line to Crisfield. This line and other branches are seldom used and remain in an incorrable condition. He recommended that Somerset County acquire the Right-of-Way in order to control rail access to the project site. Mr. Pate remarked that his department would check into this.

Delegate Dize informed those present that he had recently spoken with a Mr. Owens of Chesapeake Plywood, Inc., who said that it will be necessary to shut down the Pocomoke City plant unless hardwood is imported into the area from South and Central America.

Dr. Boyer asked Mr. Williamson how long it would take to negotiate for options, and he replied that his goal would be 30 days after receiving word to commence. He said that the County would first send a letter to property owners apprising them of the benefits of the



project and Asking for their cooperation. Mr. Cleland stated that this would have to be revised to comply with suggestions made by the Somerset County Bar Association. Mr. Williamson stressed that his strategy would be to negotiate options for the largest blocks of land first in order to secure with the least number of option contracts the necessary acreage to conduct a TA study. Mr. Moore reported a minimum of 25% of the total site acreage (.25 x 1340 = 335 acres) would have to be obtained before approval of the TA application. It would take from 60 to 90 days to award a contract. It is conceivable, therefore, that the TA study would be underway on January 1, 1971.

There was general agreement that the TA study would be a definitive guide in the development of the project. There was also general agreement that the Board of Somerset County Commissioners should submit a letter to Secretary Tawes in which they report the status of the project and request that the project be taken into account for instituting rules and regulations governing wetlands. In this regard, Mr. Simpkins considered that the development of 300 acres of an estimated 5,700 acres of wetlands is negligible, especially when more wetlands in the area are being created than eliminated. Mr. Capper pointed out that the use of a small section of wetlands is only a part of the total natural resources question for the project. Many other environmental issues, most of which were discussed in the EBS report, are involved. An argument could be expected to come from some citizens that commitment of this land to an industrial park will result in environmental harm well beyond the affected wetlands. Mr. Stanton remarked that if this view stands, there will be permanent depression in Somerset County. Mr. Pate considered it prudent to establish a claim to prove the land suitable for project use and suggested that the Department of Natural Resources establish its rationale for the use of the property. Mr. Cleland said that the site under consideration will not, in the foreseeable future, be used for any other useful purpose. Mr. Moore stated that authorization for the TA study depends on the way the State position is conveyed to EDA. He urged that the Department of Natural Resources take a positive stand and request that the TA study be authorized. Mr. Capper replied that his department would probably not sponsor the project but would participate in structuring of the environmental role.

Mr. Stanton reiterated that the Annemessex Project was a common State project, and he asked that the organizations represented reconfirm their positive attitudes toward the proposed project in a letter to him. He remarked that unanimity of all interested State agencies in approving the plan should be on hand to avoid any possibility of expending funds if the project would later have to be abandoned because of opposition. He directed Mr. Wallace to send the minutes of this meeting to those in attendance, and he requested that participants return to him by July 1 a statement with their views concerning the project.





- 43 TAKES

STATE OF MARYLAND

JAMES B. COULTER DEPUTY SECRETARY

DEPARTMENT OF NATURAL RESOURCES STATE OFFICE BUILDING ANNAPOLIS 21401

July 9, 1970

Mr. Joseph L. Stanton, Executive Director Maryland Port Authority Pier 2, Pratt Street Baltimore, Maryland 21202

Dear Mr. Stanton:

I have studied the Minutes of the meeting of June 12, 1970 in which the proposed Annemessex Canal Industrial Complex is discussed. I have also received a report from Mr. Capper who represented the Department of Natural Resource's at the meeting.

Specifically, this letter is in response to your request included in the Minutes of the meeting, "That the organizations represented reconfirm their positive attitudes towards the proposed project in a letter to him" (him, referring to Mr. Stanton) and the further request that participants return by July 1st, a statement of their views concerning the project.

As I explained in our telephone conversation of July 1st, the Department of Natural Resources has no statutory role in promoting industrial development. Neither can the Department give assurance that it will accept a plan for an industrial development of this nature until all of the details of the plan are fully understood and the possible impacts of the proposed activity on the natural resources of the State have been evaluated. The Department of Natural Resources, in a constructive and cooperative spirit, will work with the Maryland Port Authority, the Department of Economic Development, and others involved, to advise on environmental control regulations and constraints and to develop the information needed for decisions that must be made by the various member agencies as well as the Secretary of the Department.

We will be pleased to provide consultation on the technical study, especially in those aspects relating to the environment. As soon as findings of the study are available, we would appreciate the opportunity to review them from the standpoint of natural resources interests.

The Department of Natural Resources is initiating a program to determine the present natural resource related uses of the area, the physical characteristics of water circulation patterns, a survey of wetlands that might be involved, and the present quality of water in the area. Priority will

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be given to the promulgation of rules and regulations governing the wetlands so that any requirements imposed on the project will be made available to the other State agencies as early in the project evaluation phase as possible.

Sincerely yours,

James B. Coulter
Deputy Secretary

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U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION WASHINGTON, D.C. 20230

June 29, 1970

Mr. Joseph L. Stanton, Executive Director Maryland Port Authority 32 South Street Baltimore, Md. 21202

Subj: Annemessex Project

Dear Joe:

In accordance with your request, I have reviewed minutes of the meeting of June 12, 1970 regarding the subject project and have no further comment to add at this time.

Our views concerning the project have not changed during the last year. We are interested and continue to invite an application for EDA technical assistance.

Condially,

John B. Moore, Jr.

Economic Development Representative

State Office Building Fourth Floor
Annapolis, Md. 21401

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STATE OF MARYLAND DEPARTMENT OF ECONOMIC DEVELOPMENT

STATE OFFICE BUILDING ANNAPOLIS. MARYLAND 21401

June 18, 1970

Mr. Joseph L. Stanton Executive Director Maryland Port Authority Pier 2, Pratt Street Baltimore, Maryland 21202

Dear Joe:

This is in response to your request during our meeting of June 12 on the proposed Annemessex Canal industrial complex that you receive a statement to confirm our positive attitude toward the project.

I think the minutes of the meeting adequately convey the essence of the attitude of the Department of Economic Development, which remains completely favorable and enthusiastic towards the project, as has been the case since we conceived the idea several years ago.

For the record I would propose a correction to the minutes as follows. On the last line of the first page there is a reference to a meeting on December 2, 1968. This date is in error in that the meeting was held on November 26, 1968.

We shall prepare the Technical Assistance application for EDA funding and also will apprise Penn Central Railroad of the project's status.

I am grateful for the tremendous interest and assistance on behalf of the project by you and the members and staff of the Maryland Port Authority.

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William A. Pate

Director

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SIMPKINS AND SIMPKINS ATTORNEYS-AT-LAW SI N. MAIN STREET

PRINCESS ANNE, MARYLAND 21853

TELEPHONE 651-1400

JUNE 17, 1970

MARYLAND PORT AUTHORITY PIER 2. PRATT STREET BALTIMORE, MARYLAND 21202

Mr. Joseph L. Stanton ATTENTION: EXECUTIVE DIRECTOR

> RE: ANNAMESSEX CANAL INDUSTRIAL COMPLEX Somerset County, Maryland

GENTLEMEN:

Following our meeting Friday, June 12, 1970, I reported to THE BOARD OF COUNTY COMMISSIONERS THE MATTERS DISCUSSED.

THE BOARD HAS INSTRUCTED ME TO INFORM YOU THAT THEY REMAIN FIRMLY COMMITTED TO THIS PROJECT AND DESIRE TO PROCEED WITH ALL POSSIBLE EXPEDIENCY. THEY, OF COURSE, UNDERSTAND THE NATURE AND POSSIBILE MAGNITUDE OF OBJECTIONS THAT MAY ARISE FROM VARIOUS INTERESTS; HOWEVER, THEY DO NOT BELIEVE ANY LOCAL OBJECTIONS OF CONSEQUENCE WILL BE FORTHCOMING AND ARE OF THE OPINION THAT THE OBJECTIONS FROM OTHER AREAS CAN BE DEALT WITH, CONSIDERING THE URGENT NEED FOR ECONOMIC DEVELOPMENT AND IMPROVE-MENT HERE AND THE RELATIVELY SMALL ACREAGE OF WETLANDS UNDER CONSIDERATION.

THE COUNTY WISHES TO EXPRESS ITS APPRECIATION TO YOUR BODY FOR ITS EFFORTS IN OUR BEHALF AND FOR THE COURTESIES YOU HAVE EXCENDED US.

It was a pleasure neeting with you Friday and we shall look FORWARD TO FUTURE MEETINGS AT YOUR PLEASURE.

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SIMPKINS AND SIMPKINS ATTORNEYS-AT-LAW 51 N. MAIN STREET PRINCESS ANNE, MARYLAND 21853

TELEPHONE 651-1400

JUNE 17, 1970

Monorable J. Millard Tawes, Secretary Department of Natural Resources Scate Office Building Annapolis, Maryland 21401

Re: Annamessex Canal Industrial Complex Somerset County, Maryland

DEAR SIR!

THE BOARD OF COUNTY COMMISSIONERS FOR SOMERSET COUNTY HAS REQUESTED HE TO BRING TO THE ATTENTION OF YOUR DEPARTMENT THEIR PLANS IN THE ABOVE REFERENCED PROJECT.

I AM SUME YOU ARE AWARE THAT THE MARYLAND PORT AUTHORITY, THE BOARD OF COUNTY COMMISSIONERS FOR SOMERSET COUNTY, THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND OTHER AGENCIES HAVE FOR TWO YEARS BEEN EXPLORING THE ABOVE PROJECT AND HAVE NOW. REACHED THE STAGE OF ACTUALLY BEGINNING TO ACQUIRE FIRM OPTIONS TO PURCHASE THE LANE.

THE TOTAL ACREAGE OF THE PROJECT WILL COMPRISE 1,340 ACRES, OF WHICH ONLY ABOUT 500, PLUS, WILL BE WETLANDS.

THE COUNTY UNDERSTANDS THE OBLIGATION OF YOUR DEPARTMENT IN REGARD TO THE WETLANDS UNDER THE RECENT LEGISLATIVE ENACTMENT AND DESIRES THAT YOU KEEP THE NEED FOR ECONOMIC IMPROVEMENTS IN THIS COUNTY IN MIND IN INVENTORYING OUR LANDS, ESPECIALLY IN REGARD TO THIS SMALL TRACT. THE COUNTY BELIEVES THE CON-VERSION OF THIS SMALL TRACT OF WETLAND TO INDUSTRIAL USE TO BE OF ENORMOUS ECONOMIC IMPACT TO THIS WHOLE AREA, SHOULD THE



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SIMPKINS AND SIMPKINS ATTORNEYS-AT-LAW 51 N. MAIN STREET

PRINCESS ANNE, MARYLAND 21853

TELEPHONE 651-1400

PAGE TWO

JUNE 17, 1970

HONORABLE J. MILLARD TAWES ---

PROPOSED PROJECT REACH FRUITION. THE BENEFIT THAT COULD BE DERIVED BY THE CITIZENS OF THIS COUNTY AND INDEED SURROUNDING AREAS FROM SUCH FACILITY AS PLANNED, WE FEEL WILL COMPLETELY OVERSHAROW THE DETRIMENT, IF ANY, CAUSED BY THE CONVERSION OF THIS SMALL ACREAGE.

WE TRUST YOU WILL CAREFULLY CONSIDER THE POSITION OF THE COUNTY IN THIS REGARD AND WE WILL LOOK FORWARD TO EXPRESSING OUR VIEWS MORE FULLY BEFORE YOUR DEPARTMENT AT THE APPROPRIATE TIME.

KINDEST PERSONAL REGARDS.

VERY TRULY YOURS,

Thos. S. Simpkins County Counsel

TSS: VEM

CO: IR. Joseph L. Stanton,
Alaryland Port Authority
Dipt. of Economic Development
Somerset County Area Redevelopment Corp.
Board of County Commissioners
Carlton Dize



SOMERSET COUNTY REDEVELOPMENT CORPORATION



PRINCESS ANNE, MARYLAND BOX 66-21853 TELEPHONE 651-1424 June 15, 1970

Mr. Joseph L. Stanton Executive Director Maryland Port Authority Fier 2 Pratt Street Baltimore, Maryland

Dear Mr. Stanton:

The Annemessex Canal Industrial Complex to be located in Somerset County is, without a doubt, the most noteworthy proposal to be advanced for the overall benefit of the population of Somerset County.

The sitz under consideration for this complex will not, in the foreseeable future, be used for any useful purpose. The agricultural productivity of this land is sub-marginal to the extent that it is not self-supporting. To build homes on this acreage would be a useless economical adventura for there are not jobs for such an increase of families.

The tax revenue to the county from this land at the present time hardly justifies the services the county is obligated to give these property owners. The increased tax revenue would ease the very burdensome welfere load of the county. The direct benefit to the county's sducational budget would result in a request for state aid on a reduced basis.

The high unemployment rate in Somerset County would be reduced at or below the national average due to an increase in employment in these industries.

Very truly yours,

Robert 8. Claland Executive Secretary

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cc: Mr. D. James H. Wallace Mr. James A. McDomas, Jr.

August 4, 1969

Mr. Joseph L. Stanton Executive Director Maryland Port Authority Pier 2, Pratt Street Baltimore, Maryland 21202

Dear Joe:

I understand that the Maryland Port Authority has decided to participate in the necessary initial steps on the proposed Annemessex Deep-Water Industrial Complex. This is very good news to me, for I am convinced that this project offers real promise for a significant economic upgrading of Somerset County and surrounding areas.

Bill Pate tells me, however, that you would like some reassurances that the natural resources agencies of the State have no serious objections to this proposed project. While I cannot make any categorical statements along such lines at this time, since the project is in the exploratory stage and no details are available, I can say that on the basis of present information the general outlook seems to be that it can be developed without prohibitive natural resource losses or disruptions. This opinion is based partly on the fact that at the meeting held last fall at the inception of this project, attended by representatives of all the natural resources agencies concerned, no insurmountable obstacles were identified.

The engineering feasibility study which your agency and the Department of Economic Development plans to undertake, in cooperation with the federal Economic Development Administration, will provide us with much more information on which to base further evaluation of the project. From our point of view, the environmental impact study which you propose to have done in conjunction with this engineering study will be most valuable, of course, and we will be pleased to assist in structuring it, as Bill Pate has proposed. When it is available, we will be in a better position to specifically identify any natural resources problems that might be involved, and hopefully to suggest ways they can be overcome or avoided.

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In summary, it seems to me that you are justified, in view of the enormous economic potential it will generate, in proceeding to the next stage of your exploration of the overall feasibility of the proposed Annemessex project.

I hope that you and Bill will keep me informed of your progress, or any problems you may encounter, and please be assured of my continuing interest and cooperation.

Sincerely yours,

J. Millard Tawes Secretary

JMT/hlm

cc: Mr. William A. Pate, Director
Department of Economic Development

Mr. James B. Coulter, Deputy Secretary Department of Natural Resources

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PIER 2 PRATT STREET | BALTIMORE, MARYLAND 21202

PHONE PLAZA 2-2118

AVERY W. HALL

SERVICES X. WELLS

SERVICES CORCORAS

HARRY B. COMMISSIS

JAMES H. GROVE

JOSEFH L. STANTOS

MARYLAND PORT AUTHORITY

September 16, 1970

Mr. Vladimir A. Wahbe Secretary of State Planning Department of State Planning 301 W. Preston Street Baltimore, Maryland, 21201

Dear Mr. Wahbe:

Pursuant to our telephone conversation this date, enclosed herewith is summary of appraisal reports for the proposed Annemessex Canal Industrial Complex.

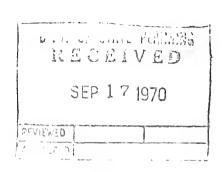
If I can be of further service please give me a call.

Very truly yours,

D. J. Wallace

Assistant Port Planner

DJW/dls Encl.





UMMARY	OF.	APPRAISAL	REPOR

	JAMARY OF	APPRAISAL REPORT		
Owner	Acres	Remarks	Rayfield Valuation	Dudley Valuation
George F. Crockett	24.75 ¹	Wooded, unimproved	\$ 7,475	\$ 7,280
Jesse W. Cullen	1.25	Wooded, unimproved	1,530	1,530
Charles Swift	5.00	Trailer Park & Bus.	24,980	24,550
Solomon Roy .	3.00	Homesite	7,000	6,900
Sylvia Outten	3.00	Homesite, modern	19,600	19,500
Sylvia Outten	2.00	Wooded, unimproved	440	390
Subtotal	(5.00)		(20,040)	(20,000)
Stetson Wicks	3.00	Clear, unimproved	2,100	1,830
Stetson Wicks	1.00	Homesite in poor		
	2	condition	4,500	4,800
Stetson Wicks	1.252	Dwelling, no value	450	331
Subtotal	(5.25)		(7,050)	(7,000)
Grover Cox	5.00	Clear, unimproved	3,700	3,600
Grover Cox	9.00	Wooded, unimproved	1,600	1,500
Subtotal	(14.00)		(5,300)	(5,100)
Newman Sterling	10.50 ³	Wooded, unimproved	3,700	3,600
Melvin & Myrtle Harris	1.42	Homesite, poor condit		6,250
Delmarva Power & Light	. 25	Former trans. station		
	_	vacant	250	325
Eastern Shore Oil Co.	.09	2 Storage tanks & pun	np 4,000	3,850
George & Mary Ward	13.50	Wooded, homesite in poor condition	9,250	9,100
Roland Sterling	3.58	Homesite, commercial	3,230	3,200
,	3.33	garage	21,600	21,300
B.P.O.E. #1044	18.00	Wooded, unimproved	3,900	3,300
Carey W. Evans	.46	Clear, unimproved	1,000	660
Albert Miles	.93	Clear, unimproved	1,645	1,250
Howard Ward, Jr.	.59	Clear, unimproved	1,050	900
Stewart Emely, Jr.	.92	Homesite, new	17,650	17,400
Lorraine Ward	19.25	Wooded, abandoned		
		farm buildings	10,630	10,550
Lorraine Ward	4.00	Clear, unimproved	1,200	800
Lorraine Ward	15.00	Clear, unimproved	8,400	8,400
Subtotal	(38.25 <u>)</u>		(20,230)	(19,750
A. Earl Dize	19.31 ⁵	Homesite, poor conditi	on 16,000	17,850
A. Earl Dize	15.00	Wooded, unimproved	2,500	2,550
Subtotal	(34.31)		(18,500)	(20,400
Leland G. Bonneville	1.50	Homesite, modernized	17,000	17,050
Marvin Bundick	3.34	Homesite & broiler business 7	31,900	32,000
Noah R. Ward	45.83	Homesite, tillable		
		land	15,950	14,700
Noah R. Ward	5.80	Wooded, unimproved	1,540	1,450
Noah R. Ward	16.62 _g	Wooded, unimproved	2,490	2,490
Noah R. Ward	59.348	Wooded, homesite	35,740	
	(127.59)		(55,720)	
Alfred J. Lawson Estate	6.50	Homesite, no value		
George W. Ward		Homesite, renovated		
Helen Justice	2.82	Two homesites	10,700	
Annie G. Melvin	5.00	Homesite, poor condit	tion 9,906	10,00
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			Rayfield	Dudley
Owner -	_Acres	Remarks	Valuation	Valuation
Edna Laird Heirs	1.50	Wooded, unimproved	\$ 450	\$ 425
Reginald Cullen	29.0010	Wooded; marshy,	·	
		boat shed	18,700	17,600
Reginald Cullen	2.00	Clear, unimproved	2,875	3,550
Reginald Cullen.	7.00	Wooded, unimproved	1,575	1,500
Reginald Cullen	3.50	Wooded, unimproved	875	840
Reginald Cullen	6.00	Wooded, unimproved	4,200	4,950
Reginald Cullen	13.00	Wooded, unimproved	7,700	9,750
Subtotal	(60.50)	\-\frac{1}{2}	(35,925)	(38, 190)
Grover Somers	26.88	Wooded, unimproved	7,500	6,320
William W. Dize	.20	Homesite	5,100	5,300
Thos. & Nellie Ward	7.75	Homesite, Wooded	7,900	7,400
Haltermans Inc.	2.50	Homesite, good condit	ion 29, 250	29,500
Marvin Ward	1.50	Homesite, poor conditi	on 4,610	4,500
Donald Dize	.75	Homesite	8,115	7,900
Wm. H. & Mary F. Dize	1.0011	Homesite	9,310	9,600
Dow & Bernice Waters	6.00	Homesite .	8,875	8,350
J. Benson Nelson	6.50	Clear, unimproved	2,885	2,790
Wm. B. Dougherty	12.00	Renovated homesite	30,300	32,275
п	4.50	Wooded, warehouse	4,620	5,200
11	1.00	Clear, unimproved	300	290
11	10.00	Clear, unimproved	3,000	2,700
11	.09	Clear, unimproved	30	26
11	25.00	Wooded, marshy,		
	1.2	unimproved	2,060	2,060
11	7.0013	Marshy, unimproved	700	980
11	13.50	Wooded, unimproved	4,100	3,830
ri .	16.00	Wooded, unimproved	4,400	4,080
11	5.00	Clear, unimproved	1,500	1,400
13	22.78	Wooded, unimproved	12,650	9,770
11	6.00	Marshy, unimproved	1,340	2,060
11	.50	Marshy, unimproved	25	25
11	6.00	Marshy, unimproved	300	300
11	2.00	Marshy, unimproved	100	100
Subtotal	(131.37)		(65,425)	(65,096)
Edwin L. Sterling	1.50	Homesite	5,645	5,100
Gertrude Nelson	.42	Abandoned dwelling	730	750
Richard Evans	1.88 ¹²	Homesite, new	23,025	
John T. Long	57.50	Homesite, wooded	41,540	42,500
Mathew Whittington	2.50	Clear, unimproved	1,233	825
Mathew Whittington	2.00	Homesite, no value	2,344	1,650
Subtotal	(4.50)		(3,577)	(2,475)
Benjamin F. Nelson	44.00	Broiler & farm		
		business; homesite,		
	3.4	wooded	29,060	
Benjamin F. Nelson	25.00^{14}	Wooded, unimproved	12,300	11,750
Benjamin F. Nelson		Clear, unimproved	1,350	1,250
Subtotal	(73.50)		(42,710)	(42,250)



-		-	Rayfield	Dudley
Owner	Acres	Remarks	Valuation	Valuation
Bernard H. & Pauline				
Handy	.50	Homesite	\$ 5,000	\$ 5,200
Jesse L. Long	25.00	Clear, unimproved	11,525	11,550
Virginia Francy.	409.00 ¹⁵	Wooded, marshy,		
,		dilapidated dwelling	60,000	59,000
Annie R. Evans	.50	Wooded, unimproved	125	110
Wm. T. Dougherty	3.0.00	Wooded, marshy,		
-		unimproved	4,500	4,500
Minnie D. Tawes	17.00	Wooded, unimproved	2,550	2,200
Minnie D. Tawes	39.50	Wooded, unimproved	9,650	11,900
Subtotal	(56.50)		(12,200)	(14,100)
Geo. L. Dougherty Est.	17.75^{16}	Wooded, unimproved	2,665	2,130
Eugene & Lenox Wharton	5.00	Abandoned dwelling		
		of no value	1,500	1,375
Mattie Taylor Heirs	.50	Marshy, unimproved	25	25
Frances B: Byrd	10.00	Marshy, unimproved	1,400	1,550
John Byrd Heirs	.5017	Marshy, unimproved	25	25
Chas. Walston Heirs	2.00	Clear, unimproved	600	530
Wm. T. & Hilda Walston	1.00	Clear, unimproved	300	400
Leroy Ward	13.00	Wooded, unimproved	3,400	3,150
Wm. R. & R. T. Wooster	14.40	Marshy, unimproved	2,220	2,220
Wm. R. & R. T. Wooster	4.50	Wooded, unimproved	900	900
Wm. R. & R. T. Wooster	6.00	Marshy, wooded,		
		unimproved	900	750
Subtotal	(24.90)		(4,020)	(3,870)
R. Hall & S. Coons	2.00	Wooded, unimproved	300	280
E. Nelson & L. Balducci		Wooded, unimproved	500	475
L. H. Pittman	2.50	Wooded, unimproved	375	350
Kathryn E. Myers	4.5018	Wooded, unimproved	790	750
D. Cox & R. Laird	2.00	Marshy, unimproved	200	170
Beatrice Sterling	5.00	Clear, unimproved	3,915	4,100
N. D. & L. W. Evans	3.16	Clear, unimproved	2,690	2,550
Cleveland Mister	.17	Service station and	7 000	6 700
0	1 60	garage	7,300	6,700
Samuel B. Riddick	1.60	Clear, unimproved	1,420	1,300
Weldon Ward Heirs	6.00	Wooded, unimproved	3,155	3,035
Total 1,	341.63 ad	cres	\$773,248	\$767,706



NOTES

Parcel	
23	Deed shows 25 acres, tax assessment 24.75 acres. Dudley uses 25 in his calculations, Rayfield 24.75. The timber cruise is based on 16 of 25 acres, although appraisers use 23 and 22.75 acres in their reports.
58	Rayfield uses 1.5 acres, Dudley 1.25. Tax assessment is based on 1.25 acres in both reports, but deed acreage varies.
84	Deed records 13.5 acres, but tax assessment is based on 10.5 acres and is considered correct.
375	Indicated sales price in deed is \$750.
408	Deed and assessment show 20 acres, but 0.69 acre (150' x 200' lot) was recently outconveyed.
409	Deed and assessment show 1.62 acres. Rayfield uses 1.5 acres in his computations.
410	Appraisals should be updated since extensive repairs were being conducted at the time of inspection.
414	Five outconveyances in past year have reduced acreage from 63.34 to 59.34 acres. Although tax assessment is based on 63.34 acres, deed shows only 20 acres.
418	Deed shows 3.5 acres, tax assessment 2.0 acres. Rayfield uses 3.5 acres, and Dudley uses 2.5 acres.
423 .	This parcel contains dredged canals for possible residential building sites.
431	Deed and tax assessment show one acre, but Rayfield uses 1.1 acres in his calculations.
438	Deed shows two acres, but Dudley uses 1.88 acres based on measurements (407' x 219' x 325' x 227').
473	Deed calls for 7 acres and tax assessment is based on 11.5 acres. Examination of aerial photo seems to bear

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0.	Parcel	
4	496	Deed and tax assessment based on 8.5 acres, but 25 acres is considered correct.
5	460	.75 acres underwater, 181 acres marsh, 150 acres wooded and 3 acres tillable.
6	482	Deed shows 10 acres, and tax assessment shows 17.75. The latter appears to be correct.
7	487	Tax assessment is based on 2.5 acres, but 0.5 acre is correct based on measurements (105' \times 210').
8	506	Tax assessment calls for 0.5 acre, but deed shows 4.5



WATER FRONTAGE DATA

The following tabulation shows the frontage on water for appropriate process:

prcel	Annemessex Canal	(Et.)	Dougherty ar	d/or Jones Creek	Dredged Canals
23	600				670
64	480				
65	540				
66	900				
24	500			,	
73			1,800	(Dougherty)	
97	900				
95	. 600	•		·	
96	1,100				
60			13,550	(Both)	
86	600				
03	1,000				
TOTA	LS 7,220 ft.		15,350	ft.	670 ft.

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APPENDIX H - MATERIAL PRESENTED BY THE DEVELOPMENT OF ECONOMIC DEVET OPMENT

H-1

- Pate, William A., Director, Department of Economic Development, memorandum to Edmond F. Rovner, dated June 25, 1970 Pate, William A., Director, Department of Economic Development, H-2 September 21, 1970, Letter to Secretary Wahbe regarding the proposed project Waterfront Land Availability H-3 H-L Trends - Water Oriented Industry Application for Technical Assistance, Economic Development H-5 Administration
- Minutes of a Meeting held January 24, 1968 H-6
- Minutes of a Meeting held November 26, 1968 H-7
- Detailed Map Outlining the Boundary of the Site H-8

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MEMORANDUM

TO: Ed

Edmond F. Royner

FROM:

William A. Pate

SUBJECT: Proposed Annemessex Maritime Industrial Park

In accordance with our 'phone conversation of this morning, I am enclosing a copy of the minutes of a meeting held on June 12 concerning the subject project, and a copy of a background data sheet distributed at that meeting.

As you will recall from our previous discussion of this proposed project, we have been working on it for almost two years now. During that time we have discussed it at one time or another with practically everyone concerned at both the State and local level -- most of them many times. In addition, we have had a preliminary feasibility study done by EBS Management Consultants of Washington under an EDA grant.

At present the Maryland Port Authority and the Somerset County Commissioners are ready to begin taking options on the property involved. However, the Port Authority understandably wants to double check the attitude of all concerned before laying out the necessary funds. This was the dominant purpose of the June 12 meeting, as you will see from looking through the minutes, and it uncovered no significant obstacles to the project.

Jerry Devlin and Mrs. Hart represented the Governor's office at the June 12 meeting, and you, therefore, might want to check with Jerry. However, he asked me to transmit this information to you.

In my opinion, the proposed Annemessex Maritime Industrial Park is the only realistic project we have ever come up with which will lead to a significant economic breakthrough in the Somerset County area. It could, in time, radically transform the entire economic base of the area, changing it

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from a predominantly agricultural, seafood and commuter oriented "depressed area" to one of the economic bright spots of the Eastern Shore. If successful, the Annemessex Maritime Industrial Park should eventually employ some 2,000 workers at excellent wages, and should attract capital investments of upwards of \$100 million.

The rationale of this project is that large acreages of deepwater connected industrial land is in short supply throughout the mid-Atlantic area. We have had many inquiries from large and substantial companies for such land, especially during the past four or five years. The Annemessex area was chosen by us for a project of this kind because it seems to offer the possibility of bringing in the greatest supply of useable land, with all necessary facilities, at lowest cost. It will make available almost 1,400 acres at competitive prices. Rail facilities are already in the area and can be made available to the Park relatively easily. The dredging required also seems to be economically feasible, according to our preliminary research.

We are now readying an application to EDA calling for a technical assistance grant to conduct a full-scale engineering and environmental feasibility study on the proposed project. However, EDA will not officially accept this application until we have a substantial amount of the land involved under control. It is for this reason that it is imperative that the Port Authority and the County Commissioners proceed immediately to secure the necessary options. EDA has indicated that they will consider 25% of the land as sufficient to justify their accepting the application.

The proposed project will be financed by funds from the Maryland Port Authority and the Economic Development Administration. In general, the Port Authority will finance everything from the dockside out -- i.e. dredging, bulkheading, etc.; and EDA will finance everything from the dockside in -- i.e. site preparation, utilities, etc. The actual applicant for the monies for construction will probably be the County Commissioners of Somerset County and the project will probably be managed and operated under their control. It is possible, however, that the Port Authority may wind up in this role, also -- this will be determined somewhat by the feasibility findings and other factors. In any event, it will be a public project, which will enable the State and



local governments to exert strong control over the industries locating in the industrial park.

The chief purpose of this memorandum is to request that you brief the Governor on the status of this project, and make certain that he has no misgivings about it. It has been mentioned to him previously, but I do not think that he has been recently made aware of its current status.

As I mentioned to you on the 'phone, I will be on vacation for the next two weeks, so if you need to discuss this with anyone in our shop, Jim McComas, our Chief of Business and Industrial Development, is thoroughly familiar with the project.

Thank you very much for your cooperation and assistance.

WAP:an Attachments

cc: James A. McComas, Jr. Gerard F. Devlin



LLIAM A PATE



TELEPHONE. COLONIA B.3371
SEP 2 3 1970

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STATE OF MARYLAND DEPARTMENT OF ECONOMIC DEVELOPMENT

STATE OFFICE BUILDING ANNAPOLIS, MARYLAND 21401

September 21, 1970

Honorable Vladimir Wahbe Secretary Department of State Planning 301 West Preston Street Baltimore, Maryland 21201

Dear Secretary Wahbe:

This is in response to your letter of August 26, 1970, concerning the proposed Annemessex Canal Industrial Complex.

At the outset, I want to emphasize that all we are seeking now is the opportunity to submit to EDA an application for the engineering and ecological feasibility study. Because of the complexities involved and the time required to properly consider them, authoritative preliminary judgments are not possible. It will cost the State a maximum of \$19,600 to obtain the options required to control the land while the study is in progress. This is a small price to pay for the anticipated benefits that the project would return.

I understand that you are concerned about the Economic Development Administration's previously stated requirement that approximately one-third of the total acreage in the project's boundaries be optioned as a condition to that agency's acceptance of and possible approval of an application for funding of the engineering and ecological study under their Technical Assistance Program. We have not objected to this requirement because it has been the intention of those concerned with this project that the entire acreage be brought under option at the earliest possible This is considered essential to the success of any land investment venture by insuring the availability of land, and further by insuring its availability at the lowest possible price. The recent disclosure of the project to the Potomac Basin Center, which may have been an intentional leak, makes the necessity for option-taking all the more imperative. This resulted in widespread newspaper publicity. If speculators purchase strategically located parcels within the complex's boundaries, the higher prices which they will require could obviously adversely affect the project's cost structure.

September 21, 1970

For that matter \$20,800 already has been irretrievably spent in connection with appraisals of all properties within the project. The maximum additional costs in connection with option-taking are anticipated to total \$39,200, and could be less. For instance, included in the \$39,200 figure is \$9,500 for contingencies and \$10,000 for extending the initial eighteen month options by an additional twelve months if necessary.

It is important to note that one-half of all costs in connection with appraisals and options are being borne by the Somerset County government. The State, therefore, stands to expend a maximum of \$30,000, of which \$10,400 already has been spent.

Even if the project must be dropped as a result of the study findings, not all of the State's money will have been lost. The Department of Forests and Parks, for instance, has expressed a desire to acquire up to 200 acres adjacent to its existing land base for the Janes Island'State Park and this is included in the land to be optioned. There might well be other State uses for some or all of this property.

In spite of the foregoing, however, we have recently held further discussions with EDA concerning possible staging of the study and deferred option-taking. As of September 17, EDA said that it would consider an application for a two-stage study, if necessary, which would preclude the need for option-taking until after the first stage had been completed. The first stage would be concerned primarily with ecological considerations and other factors needing evaluation in order for the State to take a position on the project. If the State then endorsed the project, options would be secured and the second stage undertaken, in which engineering and other factors not covered in the first stage would be studied.

We do not endorse this approach to the project. Critical time would be lost in that the two-stage study would take longer than a single comprehensive study, and - most important - time lost after the first stage and prior to option-taking and commencement of the second stage could be used by speculators to push up the cost of land. EDA likewise has recognized the inadvisability of the staged study and deferred option-taking. Therefore, we suggest adoption of this technique only as a last resort for moving the project forward.

Regarding the question of expanding the scope of this study to include a detailed study of the project's economic feasibility, past research by our staff points to an inadequate supply of waterfront industrial land and a strong demand for it, regionally and locally. The advantageous economic impact upon the lower Eastern Shore was further demonstrated by a reputable outside consultant.



Honorable Vladimir Wahbe

September 21, 1970

You have a copy of the September 30, 1968 economic impact study entitled "The Impact of the Proposed Annemessex Canal Industrial Complex Near Crisfield, Maryland." I need not belabor the positive findings therein. I want to emphasize, however, that the chances of the project's success are excellent because of the scarcity in the Middle Atlantic and South Atlantic regions of large, reasonably priced, deepwater acreage with rail and utilities. I direct your attention to two documents attached hereto which were compiled by a member of our staff in October, 1968. It is because of the factors brought out in these memoranda that we conceived the project initially and they indicate that further research on economic feasibility would only be duplication. Furthermore, the specific type of demand for the sites to be developed will depend somewhat on the engineering and ecological determinations which will be the product of the proposed study.

Also attached is a preliminary draft of the application for technical assistance from the Economic Development Administration. We intend to ask the Department of Natural Resources to draft an outline of the ecological section of the study. That Department assured us many months ago of their willingness to cooperate as appropriate on this project. The application undoubtedly will undergo further change when reviewed by the other co-applicants (Maryland Port Authority and Somerset County Commissioners), neither of whom have seen it as yet.

The ecological considerations of the project have been uppermost in our minds ever since the initial conception of the idea in 1967. For example, before discussing the project even with local people to determine their reaction, an informal meeting was held on June 12, 1967 with representatives of the Department of Chesapeake Bay Affairs, Department of Water Resources, Department of Game and Inland Fish, and the Natural Resources Institute. The project was outlined and each Department representative was asked to present his views. A few concerns were raised but no one present at the meeting felt that they were prohibitive, and all agreed that the Department of Economic Development should proceed with further exploration of the project.

After securing the endorsement of the project by local and regional people in January, 1968, the aforementioned economic impact study was conducted. Ecological questions were considered and interviews were held with representatives of appropriate State agencies. The report was quite clear in pointing out the ecological problems that must be considered. Therefore, following a review of the report by natural resource agencies, another meeting was held in November, 1968, for the purpose of permitting the resource agencies to candidly advise us of their views of the project. Again a few concerns were expressed, but the consensus of those present was that they were not insurmountable and this



Department should continue in its efforts to provide for orderly consideration and advancement of the project as appropriate. It was agreed that an engineering and ecological study would be the next logical step in the evaluation process and the Department undertook to achieve this.

After securing commitments from the Board of County Commissioners and the Maryland Port Authority to provide funds for land appraisal and options, we now are at the point where options must be taken and the technical assistance application submitted. Incidentally, the Economic Development Administration has been kept apprised of the project from the beginning and has encouraged us at every step. Because of their obvious interest in the project, we are confident that the application will be approved.

A representative of the State Planning Department, Mr. Roy Metzgar, is among those in State government who have been apprised of the project in various ways and he attended the November, 1968, meeting previously mentioned. Mr. Metzgar had been interviewed by the consultants who performed the economic impact study and he also was made aware of the project in connection with the work of the Wetlands Technical Advisory Committee.

As you will recall I sent to you on August 6, 1970 a copy of the minutes of the meeting in November, 1968, as well as other significant memoranda and correspondence which should have provided a clear idea of the feeling about the project by the State natural resource agencies and the Somerset County government. For the sake of brevity I shall not identify these documents except by date. There were nine, dated as follows: 1/25/68, 2/2/68, 12/10,68, 7/16/69, 7/17/69, 7/25/69, 8/4/69, 9/26/69, and 11/4/69. If you are missing any of these, I will be glad to send you duplicate copies.

In your letter of August 26, 1970 you specifically referred to (1) the A-95 review; (2) earmarking by Congressman Morton of \$1,500,000 for this project; and (3) an estimate of the cost of the Technical Assistance Study.

Concerning the A-95 review, we queried the Economic Development Administration several months ago on whether this application would be required by that agency to undergo A-95 review. The response was that this type of application is considered exempt by EDA from A-95 review.

The comment attributed to Congressman Morton concerning the earmarking of an estimated \$1,500,000 approximately two years ago could not have been in reference to this project. This project had not then advanced to the stage where it would have been appropriate to discuss FDA funding for anything of that magnitude. The reference must have been in connection with the previously

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proposed Crisfield Maritime Industrial Park. The planning for that Park has been shelved by local interests in order to attempt to obtain this deepwater industrial complex which would provide an infinitely greater impact on the area's economy. The EDA has indicated, however, that the funds contingently committed to the previous project -- approximately \$1,300,000 grant and \$300,000 loan -- might be applied to the present project under certain conditions, subject to full review by EDA.

We estimate the technical assistance study will cost between \$75,000 and \$100,000. This is based upon a suggestion by an EDA official that the Calvert County Industrial Park Technical Assistance Study, which cost approximately \$55,000, could be used as a base for estimating the cost. We added to that \$20,000 representing the anticipated costs of test borings that will be required. That brings us to \$75,000. To that we must allow for inflation and for complexities not a part of the Calvert County study. Therefore, a rough estimate would be in the range of \$75,000 to \$100,000. At this point we are seeking one hundred percent financing from EDA. It is possible that certain State agencies could be asked to provide in kind assistance on certain aspects of the study. We do not anticipate any State cash contribution, however. Likewise we do not anticipate any local cash contribution.

You attached to your letter a description of the project which was extracted from the previously mentioned impact study. All the information contained therein is essentially correct to the best of our current knowledge except for the acreage involved. The report had indicated 1,500 to 2,000 acres. This now has been reduced to approximately 1,300 acres. The reduction of the acreage is not critical because the heavy industries which separately would require large sites, largely for buffering purposes, will be able to use each other as buffers, reducing the amount of land needed by each industry.

You also mentioned that the site encompasses the Crisfield Municipal Airport. At this time we are excluding the airport from the site but we are specifying in the engineering section of the study that an analysis be made as to whether the airport will constitute an asset or a liability to the project. If a liability, then we probably will seek to close the North-South runway or possibly the entire facility, in which case relocation might prove to be in order.

The industries undoubtedly all will be heavy industries because those are the kind that require deepwater access for receipt of raw materials. The pollution factors will, of course, be controlled by the laws and regulations prevailing at the time, but there will be a further control not generally available in the case of private installations. This will result from the fact that the ownership and development of the land will be in the hands of a public body, most likely the Maryland Port Authority

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or a State-County authority established for this purpose. This type of extra control can go beyond existing legislation and invoke its own more stringent requirements concerning types of industries accepted and types of controls to be imposed on the industries over and above the basic legal requirements.

I feel quite certain that a well conceived State development plan would have drawn the same conclusion with respect to the use of this land near Crisfield. If such a plan were in being at this time, we could be well on the road toward having the land optioned and the technical assistance study under way.

I am well aware, of course, that environmental factors must be given careful consideration at this time -- for very valid reasons. However, I think we are in danger -- in some quarters, at least -- of losing sight of the fact that solutions to all of the great socio-political problems confronting us have one common ingredient -- they require sizeable amounts of public money. And this money, as you well know, will not be available in increasing supply from a stagnant economy.

The potential benefits of the project are so great that I believe the failure to authorize a potential State commitment of an additional \$19,600 would be extremely penny wise and pound foolish. Assuming that the findings of the engineering and ecological study permit implementation of the project, a complete transformation of the economy of Somerset County, which has the second lowest per capita income of any Maryland county, will almost certainly result.

This project also points up another question which, in my opinion, will demand increasing attention during the next few years: Are the more remote areas of our State, many of which are "unspoiled" but also undeveloped, to be denied the benefits of economic progress in order that citizens from other areas will have a place "to get away from it all"? In other words, are the citizens of Somerset County to be relegated permanently to the lowest economic status in the State so that citizens from Baltimore, Montgomery and Prince George's Counties, for example, will have a place to sail their boats, catch fish, and enjoy quaint settings and picturesque scenery? What is the answer if the citizens of Somerset County object to this role -- which is true, to the best of my knowledge, in the subject instance?

William A. Pate

Director

CC: Secretary Rovner
Secretary Tawes
Delegate Dize
Mr. Podufaly

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October 4, 1968

WATERFRONT LAND AVAILABILITY

What might be considered the competitive area for deep draft waterfront land extends from New Jersey southward to include Georgia. In discussing this competition, certain standard parameters must be used. For instance, we should examine all the large sites having a minimum of thirty-five feet of water alongside and having all necessary utilities and rail. To begin with, sites having all of these are rather scarce. Examining first the Maryland situation we find that there are at present no sites having thirty-five feet of water, all utilities and rail. There are two possible sites that could be developed with these services. In one case the site consists of about 150 acres and would cost about \$2,500 per acre and in one other case the site consists of about 400 acres and is priced at about 6 to 8 thousand dollars per acre. These could be included as large sites.

Turning to the rest of the Atlantic Seaboard, this Department was able to obtain information on waterfront industrial sites in four states. We were unable to obtain information on sites in Delaware and South Carolina and must presume that large (500 acres plus) sites are available. In order to be fair and include some sites which are competitive but have a smaller acreage availability, we have included in the following list sites of 100 acres and up. This was done so that we could report some acreage where the original site was much larger but has been purchased, reducing the remaining size to what would be considered adequate acreage for one plant.

Waterfront Sites - Approximate Cost - With Utilities and Rail Except as Noted and at Least 35' Water Depth

New Jersey	\$62,000 per acre \$12,000 per acre					
	\$5,000 per acre must	build	pier	or.	dredge	
	no utilities or rail.					

Virginia

- A \$3,400 per acre 12' water at site, $\frac{1}{2}$ mile to 40' channel
- B \$3,000, per acre -- must be high volume rail user.
- North Carolina

 A \$6,000 per acre plus rail and utilities

 B Lease only valued at \$6,000 to \$10,000 per acre for lease purposes, but actual sale value estimated at \$20,000. Located 700' from dockside.
- Ohio

 A \$120,000 per acre plus rail and utilities.

 A \$120,000 per acre in city

 B . Those process rail and utilities.

 500' back treaswater. Watetfront for lease only.

 Fig.-1



The sites in Ohio were included to represent several extremes that were encountered. To begin with, Ohio site A is within the City of Toledo and does not quite meet other criteria in that it is less than 100 acres. I think too it is wise to mention that site A in New Jersey is also an urban site, and is located in the Newark, New Jersey area. All the rest can be considered rural sites, although both Virginia sites are located in the Hampton Roads Area.

On the basis of what we have learned we can assume that should developed land at the Annemessex Canal site costs out at something less than \$5,000 an acre average price, this development will be in a highly competitive position and should attract industries other than those that have already been contacted and indicated interest in the proposed development.

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"Study of the data on the basis of comparative information indicates that water oriented communities have been more successful in many instances in their efforts to attract new industrial production facilities than land locked communities." This statement is contained in a paper entitled "Water Transportation and Economic Growth", delivered by Braxton B. Carr, President of the American Waterways Operators, Inc., recently delivered at a seminar on waterborne transportation planning. His paper went on to point out that the American Waterways Operators, Inc., have been keeping records on new plant construction and expansion over a period of years. The data collected by the organization shows that in 1967 a total of 411 plants were constructed or expanded on American waterways. This represented an investment of more than 5.5 billion dollars. In all, 2,742 waterfront plant sites were developed during the period January 1, 1962 to December 31, 1967. Obviously land for such development is becoming scarce.

Turning to the type of industry that locates on water-front property in the fourth quarter of 1967 alone, 110 new plants or expansions were reported. These break down as follows. Thirty-three were metal producing units, twenty-three were chemical plants, six were general manufacturing, six were paper, and the balance included fertilizer plants, grain installations, petroleum units, rubber facilities, and such others as shipyards, cement plants, coffee plants, and several other varieties. The majority of these industries either require bulk commodities to support their production needs or they produce bulk commodities. In some cases their requirements meet both conditions.

Taking a quick look at what is being done in terms of capital expenditures in some of these industries, the authoritative magazine "Chemical Week" in an article by Anthony J. Piombino, indicates capital expenditures in chemical related industries will follow the patterns indicated below:

Industry	Capital Ex	penditures (bil	lion dollars)
	1961	1966	1971
Chemical Process Industries	4.8	9.8	12.9
Chemical & Allied Products	1.62	2.98	4.05
Paper & Pulp	0.68	1.41	1.89
Petroleum Refining	0.41	0.82	1,28



Industry (continued)	Capital Expenditures (billion dollars)					
	1961	1966	1971			
Nonferrous Metals	0.26	0.88	1.03			
Rubber & Plastics	0,22	0.41	0.53			

Latest data available from the U.S. Department of Commerce indicates the pattern in the Primary Metal Industry to be:

1960	1963	1964
1.61	1.45	1.89

Turning to the availability of waterfront land in Maryland with deep draft access, a survey conducted by the Department of Economic Development this month indicates that none is available in the hundred acre plus range. There are potential sites being considered for development. The nearest approach to deep draft accessibility is on Marley Neck. Here ships may tie up at the Maryland Port Authority pier and discharge to rail or truck and cargos are then transported to sites less than two miles away. For a company to have direct access to the water for cargo handling in or out would require a large capital expenditure for dredging and pier work.

During the past year, this Department has been in direct contact with representatives of a number of major firms interested in waterfront sites. The representatives of these companies have been told of the possibility of the development in the Annemessex Canal area. In each instance the representative was extremely interested in what was under consideration. Their interest might be summed up in the statement made by the representative of a major producer of plastics who said "When the dredging of the thirty-five foot channel starts, we will purchase our site of 500 acres."

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FORM EDA-302 U.S. DEPARTMENT OF AMERICA		FOA USE ONLY
(7-05) ECONOMIC DEVELOPMENT ADMINISTRATION	Project No.	State of Region
APPLICATION FOR TECHNICAL ASSISTANCE (Under Section 301 of Public Law 89-136)	Date received	
PROJECT TITLE: ENGINEERING STUDY FOR PROPOSED A INDUSTRIAL COMPLEX		ΛL
2. APPLICANT		
a. Name and address of individual, corporation, or other organization a linearyland Dept. of Economic Developme and 3. Commissioners of Somerset County	ent, 2. Maryla , Maryland.	nd Port Authority,
b. Names, addresses, and positions of principal officers of applicant of the William A. Pate, Annapolis, Maryl 2. Joseph L. Stanton, Baltimore, Mar 3. Robert C. Biggy Long, Princess An	and, Director yland, Execut:	ive Director President
c. Type of organization (Nate if legal entity; public or private group; local, county, or district development group)		d. Date organization establish
3. DESCRIPTION OF AREA TO BE SERVED. (List the principal politic a single community, list only the community; if for more than one community, list the counties only; etc.) Located in S Also will have impact on Wicomico and and Accomack County, Virginia.	omerset County, list of Comerset County (in the County)	the county only; If for more y. Maryland.
4. OTHER FEDERAL ASSISTANCE. Has an application for this project been made or is being made elsewhere?		Yes XNo
5. PROJECT COST	- (*** - d 2 -)	
a. Total (Estimated) 375,000-\$100,000 b. EDA funds requested	S (Unde r 5c)	
c. Local or State funds e. Other contributions (Note on a separate contributed and by whom)	e attachment amount valu	se of services or facilities to be
6. OBJECTIVES (Briefly summarize what the requested project is intended. The engineering study will determine complex is feasible in respect to engineer cost considerations. If so, the land development initiated.	whether the prineering, eco	logical, and hased and
7. Arta h letailed project proposal prepared in accord with the official I Application." Also attach any prior related studies available, any acani any other per inent materials or Jocument.	eaflet, "Making an litter Iditional descriptive mat	tive EDA Technical Assistance erials supporting the application
3. INTERESTED AGENCIES AND OFFICIALS (Name, official, and title)	Signatures	Date
a. Applicant		
b. L. c.al., District, Regional Development Let ney where applicable		
c. State EDA-Coordinating Agency		
d. Other (Specify)		
		USCONN-DC +5165

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Attachment to Application for Technical Assistance for Engineering Study for Proposed Annemessex Canal Industrial Complex

Item 7 - Detailed Project Proposal

Applicant

- 1. Maryland Department of Economic Development, State Office Building, Annapolis, Maryland.
- Maryland Port Authority, Pier 2, Pratt Street, Baltimore,
 Maryland.
- Commissioners of Somerset County, Maryland; Princess Anne, Maryland.

Project Objectives

The engineering study, to be referred to as "the project", is intended to determine whether a proposed industrial complex is feasible with respect to engineering, ecological, and cost considerations. If so, the land proposed for development will be purchased and development begun. If the project determines that the proposed complex cannot be feasibly developed for engineering, ecological, and/or cost reasons, it will be abandoned, at least as presently conceived. The factors to be analyzed in the project are basic and critical -- it is not possible to begin development without a professional-level analysis and evaluation of them.

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The proposed industrial complex tentatively will comprise approximately 1,340 acres, but this is subject to possible reduction to approximately 1,000 acres. The land is intended to be developed for use by manufacturing operations requiring substantial acreage with direct access to deep water and rail transportation and all utilities. Such sites are becoming increasingly difficult to acquire in the middle Atlantic area.

The project, therefore, should be divided into three sections one dealing with water related factors, one with land related
factors and one with overall ecological effects. Finally, it
should provide a conclusion and a recommendation as to whether
the complex should be developed.

An outline of the engineering study is as follows:

A. Water Section.

- 1. What is the recommended depth, width and alignment of the access channel, wharfside channel and turning basin? For each channel alignment, northern approach and southern approach, consider the following:
 - a. Effects of any tidal changes.
 - b. Primary and secondary disposal areas.
 - c. Erosion control structures adjacent to channel.
 - d. Estimated cost.

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- e. Ecological effects (to be included in third section).
- Note To assist the consultant in developing answers to the queries listed above, he should provide in his fee for 500 feet of water boring data. The MPA has data on hand for the southern channel approach.
- 2. What, if any, shoreline improvements are indicated? What are the approximate costs for such improvements? Is it preferable to cut the channel and make the mooring facilities the responsibility of the potential client?
- 3. What is the anticipated need and cost for periodic channel maintenance dredging and the responsiblity therefor?
- 4. What is the recommended method of financing the initial cost of dredging? Consider the advantages and disadvantages to prospective organizations in categories hereunder:
 - a. Federal Government
 - b. State Government
 - c. Occupant Industries

. Land Section

- Coordinate with client in delineating the gross area involved in the project.
- 2. What is the load bearing ability of the site? The approximate evaluation of foundation requirements shall be determined from the study of 1,000 feet of land boring data.
- 3. Determine the feasibility of establishing a surface fresh water source and the associated cost of such construction.



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- 4. Determine the feasibility of establishing an aquifer fresh water source and the associated cost of such construction.
- 5. What is the probable rough grading plan of the proposed site? Determine the amount, source, setup time, cost and effect of the necessary fill. Make an evaluation relative to the hazard of floods to the area.
- 6. Make recommendations on rail access, road access and utility requirements (gas, electricity, storm drains, sewage and water) and calculate associated costs.
- 7. Will the airport be advantageous to the project? Consider its role and the possibility of lengthening the east-west paved runway and/or deleting that portion of the north-south runway below the paved runway and determine applicable costs. What landing approach problems, if any, will be caused by retention of the north-south runway?
- 8. What will be the salable value of the developed land?
 C. Ecology Section.
 - 1. This section should be devoted to the ecological aspects of the project in order to determine whether development into a water-oriented industrial park will adversely affect the resources of the area. For example, what will be the effect on shell fishing as a result of channel location? What controls would be necessary to reduce water (and air) pollution by occupant industries?



It is anticipated that most firms that will become interested in locating in this complex will wish to establish plants for manufacturing or processing of chemicals and plastics, refining of nonferrous metals, or cold rolling steel. These are high wage industries. A wage profile was developed in an earlier EDA financed study relating to this complex entitled The Impact of the Proposed Annemessex Canal Industrial Complex Near Cristicald, Maryland, dated September 30, 1968. The profile begins on page 12, paragraph two. (This study will be referred to from



time to time and, for convenience, will be referred to as "the 1968 study.")

The development of the industrial complex obviously will reduce unemployment in the impact area, which includes two EDA Title I counties and one EDA Title IV county. Without knowing exactly what types and sizes of manufacturing plants will be established. it is difficult to specify the total employment that will result. or the nature of the jebs to be created. Some of the industries might establish highly automated operations requiring small numbers of sophisticated employees. Nevertheless significant employment of local people will occur. Perhaps the best employment approximation we can make at this time is what would have resulted if the four industries that had expressed substantial interest in the Annemessex area had located there. Based on their employment expectations, there would have been 2,000 or more employees after full operation was achieved. With probable future expansion, the figure would rise to 4,000 - 6,000. Undoubtedly there will be opportunities for underemployed local people to upgrade themselves. places would be taken by persons presently unemployed. Also the multiplier effect of new industry will generate new jobs and many of these new jobs will be filled by those presently unemployed.

Duration

A rough estimate would be four to six months. The contractors' proposals will have to establish a more precise duration. Six months probably should be maximum, however, in order that there will be sufficient time to prepare for development while the land is under option.

Project Area

The land under consideration is just north of Crisfield in Somserset County, Maryland, which is an EDA redevelopment area



and has been ever since being so designated early in the life of the old ARA. Its unemployment rate in 1969 averaged 12.0%. The approximate boundaries of the proposed industrial site are indicated in the 1968 study in Figure 1, following page 6.

There will be significant impact on Wicomico County, Maryland and Worcester County, Maryland (an EDA Title IV county), and Accomack County, Virginia (an EDA Title IV county).

The 1968 study described the economic characteristics of the area satisfactorily. No significant changes have occurred subsequently. To quote from the 1968 study,

"In general, the four-county impact area represents a microcosm of the economy of the Delmarva Peninsula. It is characterized by a relatively few commercial concentrations and a number of relatively small and isolated towns offering limited community facilities and services. The economy is dominated by agriculture, particularly the production of poultry and grains which can be turned into feed for poultry. Fishing, foodprocessing, and forest products are important, and there is increasing growth of manufacturing coupled with a rapidly expanding tourist industry. The recently-designated Assateague National Seashore lies within Worcester and Accomack Counties. The commercial and industrial center of the area is the City of Salisbury in Wicomico County.

"Somerset County, in which the proposed complex is located, was once the center of the Chesapeake Bay oyster industry, but

				
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its economy steadily declined for two decades prior to the 1960's to a point where it was characterized in the Overall Economic Development Program for Delmarva as the Maryland county on the peninsula which was in the worst economic condition. In more recent years, the economy of Somerset County has been improved by the location of additional manufacturing and food processing plants.

"Accomack County was considered in 1960 to be in an economic condition about as bad as that of Somerset. However, its economy has improved at a more rapid rate, partially due to the build-up of the National Aeronautics and Space Administration installation at Wallops Island, and partially due to the influence of increased tourism expenditures stemming from the designation of the Assateague National Seashore.

"Worcester County has benefitted greatly from tourism expansion, particularly in the Ocean City area, where there has been considerable construction activity. A new forest products plant in Worcester County has also had a significant impact, not only on Worcester, but also on Accomack County.

"Wicomico County is the most prosperous of the four counties. Salisbury is the trading center for the Delmarva Peninsula, and it is also a location for many of the industries of the area.

"There is subtantial seasonal employment in the four-county impact area, stemming largely from the seasonal nature of agriculture, fishing, and tourism. The area has grown in recent years and the pace of growth can be expected to accelerate as access to the Eastern Seaboard metropolitan areas continues

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Population and labor force descriptions as found in the 1968 study remain essentially the same and are quoted as follows with statistical data updated where possible.

"The total population in 1968 was 129,300, having increased by 5,800. The total population in 1968 was 129,300 having increased by 5,800 since 1960. Most of the increased population came about as a result of the natural increase, that is, an increase of births over deaths. In-migration played a relatively small part, with most persons moving about within the area, in a generally northward pattern, from Accomack and Somerset counties to Salisbury.

"While the median age for the area remains higher than that for the nation as a whole, it has been declining since 1960, thereby reflecting a deceleration in the rate of out-migration of the young. This substantiates evidence of recent improvements in the job opportunities available to residents of the area.

"More than 30 percent of the area's population is non-white. Since the non-white population has traditionally been denied opportunities for education and achievement, the high proportion of non-whites in the population means that the general level of educational achievement, work experience, and skill levels are much lower than the national average. To the extent that this relatively underprivileged sector of the area's population would be able to benefit from the proposed complex, the overall benefits would be greatly increased.

"The educational level of the four-county area is below national standards. In 1960, the most recent year for which comprehensive and reliable data are available, the median school years completed by persons 25 years of age or over was only 8.7, almost two full years below the national standard of 10.6. Over 15 percent of persons 25 years of age or older had not completed five years of school.

"The level of income in the four-county area is substantially below the national average. Per capita disposable income in 1968 is estimated at \$2,038 for the impact area, about \$900 lower than the national figure.

"In all of these indicators, the pattern runs generally south to north, with Accomack and Somerset counties being at the bottom of the scale, and Worcester and Wicomico counties showing higher figures.

"There were over 55,000 persons employed in the impact area's labor force in 1968. The rate of unemployment in that year was estimated at 6.3 percent or 2.6 percentage points above the national average. While the rate of unemployment has improved somewhat in the 1960's, it nonetheless continues to reflect the fact that the area's economy has not kept pace with the national economic growth. The average weekly wage of \$74.76 was more than \$27 lower than that prevailing nationwide in 1968.

"The commutation patterns of the labor force show a strong tendency of workers to gravitate toward Salisbury. Virtually all commutation is northward. The bulk of the Accomack commuters travel northward to Worcester County, with the balance

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going to Wicomico. Worcester County commuters travel either to jobs in Wicomico County or farther northward. Somerset County commuters travel to Wicomico. The commutation patterns also show that a substantial number of residents in the impact area travel considerably each day to their jobs."

The market area perimeter includes that area which can be reached by overnight truckload shipments from Crisfield. That area has a total population of 51,387,460 which is 25.5% of the United States population. The net effective buying income is \$160.6 billion, which represents 27.4% of the total United States effective buying income.

Transportation facilities in the area consist of Maryland Route 413, an excellent two-lane highway bordering the proposed industrial complex, which goes from Crisfield to Westover where it connects with U.S. 13. The latter is an excellent four-lane divided highway running the length of the Delmarva Peninsula. It affords connections on the north with I 95 and the New Jersey Turnpike. On the south it crosses the Chesapeake Bay Bridge-Tunnel to the Norfolk area and connects with other southern routes. There are ten motor freight common carriers regularly serving the area. Four of these carriers have terminal facilities in Salisbury, Maryland.

The Penn Central Railroad operates a main line running the length of the Delmarva Peninsula from a junction near Wilmington, Delaware

to Cape Charles, Virginia where cars are taken by lighter to Norfolk, Virginia. There is a branch to Crisfield.

Dredging of a channel for ocean going ships is to be an integral part of the proposed industrial complex, as explained under Project Objectives. Dredging is not anticipated to be part of any future EDA public works applications.

Scheduled air service is available at Salisbury where flights make connections at Friendship International and Washington National Airports. A municipal airport is located immediately adjoining the proposed industrial site and consists of a 2,500 foot paved runway and a 3,500 foot grass strip. It is used only by private craft.

Public facilities and services in the impact area include the following:

- Electricity Principal suppliers are Delmarva Power and Light

 Company and Choptank Electric Cooperative. Both

 have continuous programs for expanding their service
 as required. They are part of a multi-company power

 pool.
 - Natural gas Citizens Gas Company serves Salisbury and suburbs
 as far south as Fruitland. A company executive
 has expressed interest in extending service to
 Crisfield if the proposed industrial complex proves
 developable.



water & sewer - Most incorporated towns operate water and sewer
systems, including Crisfield.

Fire & police protection - Well trained and equipped volunteer fire companies serve the area. Local and State police forces provide for law enforcement.

The climate is warm and temperate with hot summers and mild winters. Summer is characterized by considerable warm weather with several hot, humid periods. Temperatures of 90° or more usually occur fifteen to twenty days per year. Winter climate is intermediate between the cold of the Northeast and the mild weather of the South. Mean annual precipitation is forty-five inches and annual average snowfall is seven inches. The average length of the growing season is 222 days.

Natural resources consist primarily of seafood. The impact and were trend/discussed briefly in the paragraph on economic characteristics near the beginning of this section.

Area Problems

For the entire Delmarva Peninsula, the 1967 OEDP specified the most critical problems as two-fold; (1) upgrading the work force and (2) improving the infrastructure. Both of these Peninsula-wide problems are all too prevalent in the impact area of the proposed industrial complex and especially in the Crisfield area where it will be located.



Related Research

The Impact of the Proposed Annemessex Canal Industrial Complex Near Crisfield, Maryland - September 30, 1968. Prepared for Delmarva Advisory Council by EBS Management Consultants, Inc. under EDA grant. One copy is enclosed. Multiple copies are not available and it is presumed EDA has copies in its files.

Relationship to Economic Planning

This project is referenced on page 6 of the Somerset County OEDP, dated March 24, 1969. It also is referenced on pages 2, 3,6 and 8 and Enclosure #4 following page 6 of the Somerset County OEDP, dated March 17, 1970.

Project Procedures

It is proposed that EDA select the contractor, with advice from the applicants, and that EDA manage the contract, with consultation as appropriate with the applicants.

Coordination

In addition to the three co-applicants, the Maryland Department of Natural Resources has agreed to counsel with the contractor in whatever ways are appropriate and especially in consideration of the ecological aspects of the project.

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The Somerset County Redevelopment Corporation (local), Delmarva Advisory Council (district), and the Maryland Department of Economic Development (State) are all aware of the requested project and each has undertaken specific responsibilities in connection with it.

Development Impact

The 1968 study in Chapter VI made an effort to predict the development impact. The comments concerning local labor utilization were highly criticized within EDA. Much of the criticism was based on the statements that a large number of new workers would be imported to the area because of the lack of indigenous skills.

As stated previously in this application, no one can predict in advance exactly what the employee characteristics or numbers will be. No one knows exactly what the industries will be or their size. The 1968 study may or may not be reasonably accurate. Only time will tell. The best we can do is base our employment estimate on the expectations of the four prospects that would have employed at least 2,000.

It is likely that the 1968 study suggests the worst that can be expected in terms of direct industrial employment of the local unemployed. If so, one must consider the manner in which local income will be raised if substantial numbers of highly skilled, highly paid workers have to be imported. This will have a multiplier effect that must be considered.



Follow-Up

If the study indicates the proposed undertaking is feasible from an engineering and ecological standpoint, the options on the site will be exercised. The Maryland Port Authority has reserved funds in its capital needs budget for acquistion of land on which water-related shipping and receiving facilities will be built and for channel dredging and other improvements related to water transportation. The Maryland Port Authority also has indicated the possibility that it will acquire the balance of the land, too, and act as developer of the overall project. No decision or commitment has been made or can be made at this time. If the Maryland Port Authority does not act as overall developer, a special authority probably will be created for that purpose. EDA funding might be requested for water and sewer facilities to access roads.

Need for EDA Funds

The Commissioners of Somerset County, Maryland and the Maryland Port Authority have made available \$33,000 each for a total of \$66,000 to be used for appraising the land and securing options. The options will run for eighteen months and will be renewable for an additional twelve months, a total of two and one-half years. This is a sizeable expenditure of State and local funds, thus there are no additional monies available for participation with EDA in funding the project. There is no reluctance to offer an "in-kind" contribution. However, we lack the technical

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competence and manpower to perform the work proposed in the project, thus it is not clear what "in-kind" services would be meaningful. We would be glad to receive suggestions along these lines from EDA if "in-kind" services are deemed essential for the approval of this application.

Proposed Method of Financing

Total cost - \$75,000 - \$100,000

EDA funds requested - \$75,000 - \$100,000

Basis of cost estimates - Reasonably similar EDA financed studies of which we have knowledge are the Calvert County Industrial Park study, which cost approximately \$55,000, and the Georgetown, Delaware Industrial Park study, which cost approximately \$20,000. Because of the complexity of the proposed study, it is estimated that the \$55,000 Calvert County study would be the minimum anticipated cost. To this must be added the cost of test borings, estimated at \$20,000. The total would be \$75,000. Allowance for inflation and for work not required in the Calvert County study could push the total cost towards \$100,000.



MEMORANDUM

January 25, 1968

TO: P110

FROM: James A. McComes. Jr.

SURJECT: Crisfield Annonesson Canal Project Meeting in

Cur Offico January 24, 1968

A meeting was hold in our office to present our thoughts on this subject to appropriate local and regional people. There is attendance were as follows:

Representing Semerset County:

Robert Cleland, Prosident, Squerest County Redevolopment Corporation

Robert Baker, Executive Secretary, Semaraet County Redevelopment Corneration

Robert Bradshaw, Kanber, Reard of County Cormisadoners

Elvath Thoos, Elangor, Department of Employment Escurity, A

Representing Cristaold:

Carlton Disc

Representing Delmarva Advisory Council:

Worthington Thempson Horman Harrington

Representing Caryland Department of Economic Davelopment:

Eduard Earbold James McComms

I introduced the subject and provided seme background and the Barbold expanded upon it in detail. The reaction was inmodiately favorable and a number of questions and comments ensued which are reported below.

ir. Daker estimated land cost in the 1,000 aero area under counideration at introop 875 and \$400 per aero. About 400 aeres are under three separate orners. Consorn was expressed as to thether land costs might rise after news of our plans becomes known and fir. Thempson suggested that the equaty chould take an option of at least three years on the land with



the possibility of renoval. Wr. Dize agreed that the land should be "thed up." If a prespective industry should option the land, it was loss the option should contain a clause whereby they must agree to begin construction by a certain apecified time, otherwise the option would lanse.

Escause the county propently is revising its proposed soming map, in Cloised, who also is chairman of the County Planaing and Zoning Commission, suggested soming the entire area industrial. This will be hold in abeyance, herever, for several menths until matters to be related subsequently in this maps have advanced semewhat. If the land were sened industrial prematurely, hard prices might rise before the county or an industry cas secure options. Incidentally, the proposed use for the land at this mement is conservation and it was agreed that it must not be so classified. It would be sened agricultural in the event industrial seming was not deemed wise at the time of the first public presentation. Tentative plans are for the first public presentation in early April, but Mr. Cleined said he tould not object to deferring it until July if it would help in the matter ander consideration.

Hr. Baker montioned that a water resources curvey conducted several years ago indicated sufficient from water at the appearend of the Hanckin River to provide for an impoundment of 650 militon gallons. He estimated this would be about 20 miles from Crisfield and said it would not be unfeasible to pipe the water that far.

Mr. Thouseon, on the subject of air and water pollution, indicated that water quality at this location would have to conform to the State's most stringent standards because of the shellfish factor. He also questioned any effects on birds using the 500 acres of spanpland that are proposed for inclusion in the area and also what effect would occur in connection with birds flying along the Atlantic flyway which passes directly over this area. He expressed consern that the Department of the Interior might object if any adverse conditions should be generated and that this would influence the Corps of Engineers who would be asked to maintain, and possibly dig, the 35' ship channel that would be required.

It was the gezeral consensus that the industry feasibility study could be emitted because of interest already shown by four chemical companies.

The thought was offered that after the engineering and impact etudies are completed, a firm commitment might be obtained from a prospect thick would pave the way for dredging.

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Ly. Cloland asked who would initiate the studies and it was agreed that the Espartment of Economic Development would do so is close coordination with the county.

Er. Thompson said the Delmarva Advisory Council would have the enpublikty for undertaking the economic impact study, assuming the Council votes at its next moting to hire a Chick of Research who has been tentatively selected and also that the Council would approve a staff project of this cort. We believed, and Mr. Marrington agreed, that there would be no objection to the staff conducting this work, especially because the impact would affect at least three kingland counties and one Virginia county. He estimated that three meaths would be required to perform the assignment and that work could begin almost immediately after Council approval because the applicant for the research position is available immediately.

Hr. Thengaes suggested that the Haryland Fort Authority be asked to perform the engineering study. If they decides, financing sust be secured to have it done. There was considerable discussion as to the best erganization to appreciate for financing. Mr. Harbold favored a Soundation, such as the Ford Foundation, but Mr. Thengues epined that it would take just as long for a foundation to render a decicion as we have found with PDA. Although everyone seemed to have substantial reservations about EDA, there seemed to be a general feeling that EDA should at least be apprecised on an informal basis to learn the prospects for a favorable reaction and how much time their review would consume. The engineering study would not be considered until the economic impact study is completed or nearly completed, the theory being that the project could not be justified if the impact were not sufficiently great.

The question was raised as to whether the leading prospect might be willing to participate in financing the engineer-ing study, but Mr. Enriched did not think they would do so. Mr. Marked also considered unacceptable a suggestion that the prespect be asked for a letter of commitment with a cut-oil date that could be used to help secure financing of the engineering study after the impact study had been completed.

It was agreed that the Department of Economic Development could write a letter to the Delearer Advisory Council request-ing the Council to undertake the economic impact study and include mention of support for the project by the County Commissioners. It. Bradehau was confident the other two Commissioners would enderse the project and he provided to call me by January 20 is he issued etherwise. In addition, I

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sacil alteration, to make a buted presentation which would augment the letter.

ir. Harbold still must contact the Pepartment of Joresta and . Farks concerning problems or objections concerning use of the morth and of James Island.

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MEMORANDHM

December 2, 1968

File TO:

Edward E. Harbold and James A. McComas, Jr. FROM:

Meeting of State Officials Re Crisfield-Annemessex SUBJECT:

Canal Project

The meeting was held on Tuesday, November 26, in the office of the Director, Department of Economic Development, to discuss further steps relating to the subject project. attendance were:

Roy G. Metzgar, State Planning Department J. R. Goldsberry, Department of Game and Inland Fish Henry Silbermann, Department of Water Resources Herbert M. Sachs, Department of Water Resources Spencer P. Ellis, Department of Forests and Parks Fred W. Sieling, Department of Chesapeake Bay Affairs John B. Moore, Jr., U.S. Department of Commerce, Economic Development Administration William A. Pate, Department of Economic Development James A. McComas, Jr., Department of Economic Development Edward E. Harbold, Department of Economic Development

Mr. Pate opened the meeting by reviewing the project and called attention to the fact that all participants in the meeting had been provided a copy of the Economic Impact Report prepared by the consulting firm. He went on to indicate that the next step would be an engineering study and that the purpose of this meeting was to examine any opposition to the project which could be considered as deterrent to the fruition of the project.

Mr. Pate called for statements from the representatives of the various agencies and the comments of the representatives were as follows:

Fred Sieling, CBA. Mr. Sieling discussed several points relating to the disposal of spoil from the dredging, particularly in reference to destruction of marsh lands used by aquatic life for spawning or feeding purposes. He went on to mention the problem of sewage pollution from ships and pointed out there was no national or international standard established for on-board retention of sewage which would be dumped at sea. He raised the question regarding accidental pollution discharged arem the plants which could result in severe damage to the fish and spawning areas near the Annemessex Canal.

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Discussing the channel approach, Sieling indicated that a channel across the marsh land through Janes Island or following the present channel from the south through Crisfield would not disturb any existing oyster bars. Of these two, he preferred the Crisfield approach.

Spencer P. Ellis, Department of Forests and Parks. Ellis made his comments with relation to the protection of the park lands near the proposed site. He pointed out the specific need for protecting the mainland area of approximately forty acres on the east side of the Annemessex Canal from all environmental nuisances and dangers. He spoke strongly on the need for maintenance of clean water, clean air, and noise abatement. Ellis went on to point out the need for a two to one wetland replacement of any wetlands that are included in the project. He also men- . . , tioned that any bottom used for fill will cost 10¢/dry ton. Ellis: summarized his position by saying his Department is willing to be flexible in their position regarding the project, although they are basically opposed. He favored a northern channel approach (although he acknowledged he had not studied whether any shellfish problems might be created). He objected to a channel through Janes Island. He would accept a southern channel.

Henry Silbermann, Department of Water Resources.
Silbermann defined the responsibility of his Department, particularly as it applies to this and other similar projects. Silbermann based his approval on the belief that proper controls could achieve the desired water quality standards. Some suggestions he made related to the careful selection of industry, caution during construction to prevent erosion and siltation, storm and cooling water treatment if necessary to relieve thermal pollution and solid or bacteriological pollution. He referred particularly to the November 14, 1968 memorandum from Paul McKee to Bill Pate, copy attached.

Silbermann suggested that the development area should have a corporate entity responsible for the collection and disposal of waste. This organization could require the various industries to pre-treat their waste, if necessary. It would have the added advantages of providing one responsible organization to deal with the Department of Water Resources and would spread the cost of waste treatment evenly among all the site users and the site developer. He said this is being done successfully at Parkway Industrial Center.

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James Goldsberry, Game and Inland Fish. Goldsberry made a point of discussing the need of special treatment of storage areas by erection of dikes or other similar structures to prevent runoff resulting from rain or the one in one hundred year incidence of flooding. Secondly, he recommended that water be recycled as much as possible thus reducing the possibility of pollution from cooling water picking up contaminates. Goldsberry also discussed the problem of bilge pumping by ships into the Bay and again mentioned the need for adequate control.

He said there are 200,000 water fowl in the area. fears industrial noise will affect the local baid eagle population.

Goldsberry raised a special objection regarding nonferrous metals particularly, and in so doing indicated that non-ferrous metals are notorious for their continuing pollution of water. He pointed out that the movement of nonferrous pollutants from Baltimore Harbor through dredging and dumping in other parts is of the Bay does present an expansion of the pollution caused by the metals.

Goldsberry made one other comment indicating he preferred the Crisfield Harbor channel approach to the site.

He suggested attracting only those types of industries posing the least danger to the area and advocated non-manufacturing.

Roy Metzgar, Department of Planning. Metzgar stated that he did not attend the meeting for the purpose of commenting since this seemed to be a little bit outside his area of interest at this time. He made one comment, however, indicating that the U.S. government has recently conducted seminars on "conflict of use of coastal zone". He said the problem we were discussing is one which the U.S. Government is now considering from an interstate point of view.

Following the statements made by various individuals, there was some general conversation on all subjects presented. Both Fred Sieling and Spencer Ellis expressed concurrence in the corporate waste disposal organization as suggested by Henry Silbermann. Furthermore, all of those present agreed that public ownership of the site, preferably at the State level, was most desirable in order to assure proper controls.



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William A. Pate, Department of Economic Development. In discussing the overall project in summation, Pate offered rebuttal to several of the points contained in the general discussion, particularly those referring to the economics of the project and the desire for "light industry" or non-manufacturing industry. He pointed out that plants like Westinghouse would not locate in that area. Secondly, discussing light industry, he pointed out that they are not always the most desirable industry, primarily because the investment ratio to employees is generally quite low as is the pay scale when applied to the type of plant that may consider Crisfield as a likely location.

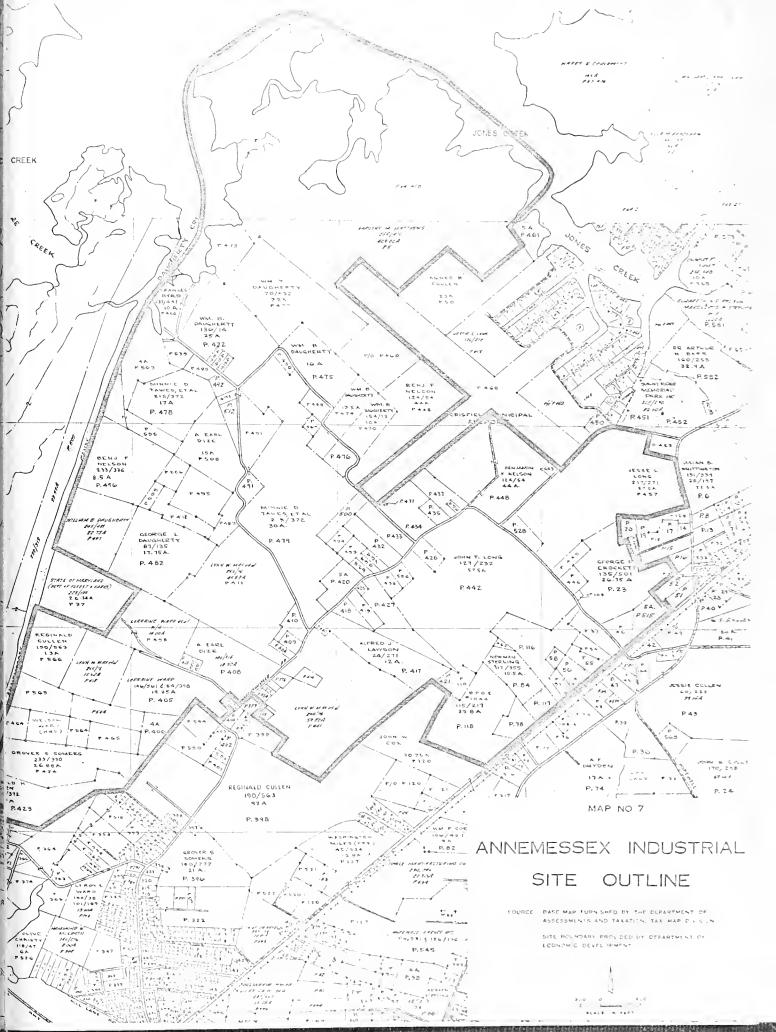
Pate's summary pointed out to those who were in attendance that the Department of Economic Development has no intention of fostering a nuisance situation in the area and considered the need for control in all phases of this development as a primary requirement.

It was suggested that those present submit memos to Mr. Pate for the record by December 9.

By unanimous decision the next step, an engineering feasibility study, was approved.

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